



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Authorizing the issuance of Consolidated Public Improvement Variable Rate Bonds of 2017, Series E and prescribing certain other matters in connection therewith.	Executive Order No. 191-17	Subject Suffix
Department Department of Finance	Department No. B362-17	Effective Date 12/19/17

ORDER PROVIDING FOR THE AUTHORIZATION, ISSUANCE AND PRIVATE (NEGOTIATED) SALE OF GENERAL OBLIGATION BONDS OF MONTGOMERY COUNTY, MARYLAND IN THE AGGREGATE PRINCIPAL AMOUNT NOT TO EXCEED \$170,000,000, SUBJECT TO ADJUSTMENT AS PROVIDED HEREIN; PRESCRIBING THE FORM AND TENOR OF SUCH BONDS, THE MANNER, TERMS AND CONDITIONS OF SALE AND ISSUANCE THEREOF; PRESCRIBING THE TERMS OF SUCH BONDS AND ALL OTHER DETAILS INCIDENT THERETO; AUTHORIZING THE EXECUTION AND DELIVERY OF ALL DOCUMENTS IN CONNECTION WITH THE ISSUANCE THEREOF; PROVIDING FOR THE PAYMENT WHEN DUE, OF THE PRINCIPAL OR REDEMPTION PRICE OF AND INTEREST ON THE BONDS; PROVIDING FOR THE LEVY AND COLLECTION OF TAXES IN RATES AND AMOUNTS SUFFICIENT TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS; AND TO PROVIDE GENERALLY FOR THE SALE, ISSUANCE, AND DELIVERY OF SUCH BONDS.

RECITALS

BE IT ORDERED by the County Executive of Montgomery County, Maryland, that:

Section 1. Montgomery County, Maryland (the "County") is hereby authorized upon its full faith and credit to issue its Consolidated Public Improvement Variable Rate Bonds of 2017, Series E (the "Bonds") in the total aggregate principal amount of \$170,000,000.

Section 2. The proceeds of the Bonds may be used to (i) refinance all or a portion of the County's outstanding Consolidated Public Improvement Commercial Paper Bond Anticipation Notes, Series 2009 and/or Consolidated Public Improvement Commercial Paper Bond Anticipation Notes, Series 2010 (collectively, the "Notes"), which such Notes were used to finance and refinance the acquisition, construction and equipping of certain public facilities (the "Public Facilities"), as described in Section 20-14 of the Montgomery County Code, as amended (the "County Code"); (ii) finance the costs of certain Public Facilities described in the County's FY 17-22 Capital Improvements Program; and (iii) pay the costs of issuing the Bonds. The Bonds are issued pursuant to Section 19-208 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2017 Supplement); Chapter 43 of the Laws of Montgomery County of 2006, Chapter 12 of the Laws of Montgomery County of 2007, Chapter 36 of the Laws of Montgomery County of 2008, Chapter 22 of the Laws of Montgomery County of 2009, Chapter 54 of the Laws of Montgomery County of 2010, Chapter 24 of the Laws of Montgomery County of 2011, Chapter 19 of the Laws of Montgomery County of 2012, Chapter 26 of the Laws of Montgomery County of 2013, Chapter 31 of the Laws of Montgomery County of 2014 and Chapter 49 of the Laws of Montgomery County of 2015; Bond Order No. 175-17 of the County Executive of Montgomery County, Maryland (the "County Executive") duly and executed as of December 19, 2017 (the "Bond Order"); and this Order.



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Section 3. The Bonds shall be dated the date of their initial delivery and shall be issuable in registered form in the denomination of One Hundred Thousand Dollars (\$100,000) and any integral multiple of Five Thousand Dollars (\$5,000) in excess thereof. The Bonds will initially be issued in book-entry only form without physical distribution of certificates to the public. The Depository Trust Company, New York, New York ("DTC") will act as the securities depository for the Bonds and the Bonds will be registered in the name of Cede & Co. as nominee for DTC. The Bonds of each issue, when first issued, may be numbered from No. R-1 upward in the order of their maturities or in some other manner which conforms to standard bond registration practices and is acceptable to DTC and the Director of Finance of the County (the "Director of Finance"). Registration books (the "Bond Register") for the Bonds shall be maintained by U.S. Bank National Association, which shall also act as paying agent for the Bonds (the "Bond Registrar and Paying Agent").

So long as Cede & Co. is the registered owner of the Bonds, as nominee of DTC, the Bond Registrar and Paying Agent, will send all payments of principal of and premium, if any, and interest on, and notices to Cede & Co., and consider Cede & Co. as registered owner for all other purposes. Principal payments shall be made to Cede & Co. by check, draft or wire transfer at its address as it appears on the Bond Register, on the respective payment or redemption dates. Interest shall be paid to Cede & Co. by check, draft or wire transfer at its address as it appears on the Bond Register, such interest being payable (i) with respect to the Bonds, at a Daily Rate established by the Remarketing Agent payable on the first Business Day of each month, on each Mode Change Date, and on the maturity date of the Bonds, in each case accounting from the most recent date to which interest has been paid or, if no interest has been paid, from the date of initial delivery of such Bonds. The provisions provided in this section may be modified by a subsequent order or orders of the County Executive (or the Chief Administrative Officer, acting in the capacity of the County Executive).

The Bonds shall contain similar provisions to and be in substantially the form set forth in Exhibit A attached to Bond Order, with such variations as the Director of Finance may deem are necessary or appropriate in compliance with this Order. So long as the Bonds are in book-entry form, the manual or facsimile signature of the Director of Finance shall be sufficient to authenticate the Bonds. Bonds issued substantially in accordance with such form, with appropriate insertions as indicated, when properly executed and authenticated as required by this Section, shall be deemed to constitute unconditional general obligations of the County, the payment of which, in accordance to the terms thereof, the County's full faith and credit are pledged, and all the covenants and conditions contained in such Bonds shall be deemed to be binding on the County.

Section 4. The Bonds shall be executed in the name of the County and on its behalf by the County Executive, whose signature may be by facsimile, an original or facsimile of the official seal of the County shall be imprinted or otherwise reproduced thereon, attested by the manual or facsimile signature of the Director of Finance, and authenticated by the manual or facsimile signature of the Bond Registrar and Paying Agent.

Section 5. The Bonds are and shall be issued upon the full faith and credit and unlimited taxing power of the County which is hereby pledged to the punctual payment of the principal and redemption



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Department Department of Finance	Department No. B362-17	Effective Date 12/19/17

Dated as of this 19th day of December, 2017.

A handwritten signature in black ink, appearing to read "Isiah Leggett", written over a horizontal line.

Isiah Leggett
County Executive
Montgomery County, Maryland



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EXHIBIT A

FORM OF STANDBY BOND PURCHASE AGREEMENT

EXECUTION COPY

STANDBY BOND PURCHASE AGREEMENT

among

U.S. BANK NATIONAL ASSOCIATION,
as Registrar and Paying Agent

MONTGOMERY COUNTY, MARYLAND, as County

and

U.S. BANK NATIONAL ASSOCIATION, as Bank

dated as of December 1, 2017

relating to

\$170,000,000
Montgomery County, Maryland
General Obligation Bonds
Consolidated Public Improvement Variable Rate Bonds of 2017, Series E

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LIST OF EXHIBITS

- Exhibit A - Notice of Bank Purchase (Liquidity Purchase)
- Exhibit B - Notice of Bank Purchase (Mandatory Purchase)
- Exhibit C - Form of Request for Extension of Stated Expiration Date

STANDBY BOND PURCHASE AGREEMENT

THIS STANDBY BOND PURCHASE AGREEMENT (this "Agreement") dated as of December 1, 2017 among U.S. BANK NATIONAL ASSOCIATION, a national banking association, in its capacities as Registrar and Paying Agent under the Bond Order referred to below (together with any successor thereto, the "Registrar and Paying Agent"), MONTGOMERY COUNTY, MARYLAND, a body politic and corporate and a political subdivision of the State of Maryland (the "County"), and U.S. BANK NATIONAL ASSOCIATION, a national banking association (the "Bank").

WITNESSETH:

A. The County is issuing a series of Bonds designated "General Obligation Bonds Consolidated Public Improvement Variable Rate Bonds of 2017, Series E" in the aggregate principal amount of \$170,000,000 (the "Bonds") pursuant to the Authorizing Proceedings (as hereinafter defined) to finance and refinance the acquisition, construction and equipping of certain public facilities in the County.

B. The Bonds are subject to purchase from time to time at the option of the beneficial owners thereof and are required to be purchased in certain events. In order to assure the availability of funds for the payment of the purchase price therefor, the County has provided for the remarketing of such Bonds in certain cases, and in certain other cases, to the extent such remarketing may not be successful, for the purchase of such other Bonds by the provider of a liquidity facility.

C. The Bank, pursuant to this Standby Bond Purchase Agreement, agrees to provide a liquidity facility for the Bonds on the terms and conditions set forth therein.

NOW, THEREFORE, in consideration of the respective agreements contained herein and intending to be legally bound, the parties hereto agree as follows:

ARTICLE I

DEFINITIONS

Section 1.01 Definitions. In addition to the capitalized terms defined in the foregoing recital clauses of this Agreement, the following capitalized terms have the meanings indicated below unless the context shall clearly indicate otherwise. Other capitalized terms used in this Agreement and not defined in this Agreement shall have the meaning given those terms in the Bond Order.

"Affiliate" means, with respect to any Person, any Person that directly or indirectly through one or more intermediaries, controls, or is controlled by, or is under common control with, such first Person. A Person shall be deemed to control another Person for the purposes of this definition if such first Person possesses, directly or indirectly, the power to direct, cause the direction of, the management and policies of the second Person, whether through the ownership of voting securities, common directors, trustees or officers, by contract or otherwise.

"Anti-Corruption Laws" means all laws, rules, and regulations of any jurisdiction applicable to the County from time to time concerning or relating to bribery or corruption.

"Authorizing Legislation" means Chapter 43 of the Laws of Montgomery County of 2006, Chapter 12 of the Laws of Montgomery County of 2007, Chapter 36 of the Laws of Montgomery County of 2008, Chapter 22 of the Laws of Montgomery County of 2009, Chapter 54 of the Laws of Montgomery County of 2010, Chapter 24 of the Laws of Montgomery County of 2011, Chapter 19 of the Laws of Montgomery County of 2012, Chapter 26 of the Laws of Montgomery County of 2013, Chapter 31 of the Laws of Montgomery County of 2014 and Chapter 49 of the Laws of Montgomery County of 2015; and such other Laws of Montgomery County as may be added by amendment to the Bond Order.

"Authorizing Proceedings" means, collectively, the Authorizing Legislation, the Enabling Act, the Resolution, the County Code, the Charter and the Bond Order.

"Available Interest Commitment" initially means, with respect to the Bonds, \$1,583,562, constituting interest for 34 days at the Maximum Bond Rate per annum calculated on the basis of a year of 365 days and the number of days elapsed and thereafter means such amount adjusted from time to time as follows: (a) downward by an amount that bears the same proportion to such amount as the amount of any reduction in the Available Principal Commitment pursuant to the definition of "Available Principal Commitment" bears to the Available Principal Commitment prior to such reduction; and (b) upward by an amount that bears the same proportion to such amount as the amount of any increase in the Available Principal Commitment pursuant to clause (c) of the definition of "Available Principal Commitment" bears to the Available Principal Commitment prior to such increase; provided that after giving effect to such adjustment the Available Interest Commitment with respect to the Bonds shall never exceed \$1,583,562. Any adjustments pursuant to clauses (a) and (b) above shall occur simultaneously with the event requiring such adjustment.

"Available Principal Commitment" initially means \$170,000,000 and thereafter means such amount adjusted from time to time as follows: (a) downward by the amount of any reduction of the Available Principal Commitment pursuant to Section 2.03; (b) downward by the principal amount of any Bonds purchased by the Bank pursuant to Section 2.02; and (c) upward by the principal amount of any Bonds theretofor purchased by the Bank pursuant to Section 2.02, which are resold by a Bank-Owned Bondholder pursuant to Section 2.04(b) or which cease to bear interest at the Bank Interest Rate pursuant to Section 2.04(c). The Available Principal Commitment with respect to the Bonds shall never exceed \$170,000,000. Any adjustments pursuant to clauses (a), (b) and (c) above shall occur simultaneously with the event requiring such adjustment.

"Bank Book-Entry Account" has the meaning given in Section 2.02(b).

"Bank Interest Rate" means, as determined in accordance with Section 3.01, for each period specified below, beginning with and including the date funds are advanced under this Agreement and ending on but excluding the date they are repaid in full with interest thereon as provided in this Agreement, the interest rate specified with respect to such period, which interest rates shall be computed on the basis set forth in Section 3.01:

<u>Period</u>	<u>Bank Interest Rate</u>
1. Bank Purchase Date through 180 th day thereafter	Base Rate plus 1.0%
2. From and including the first to occur of (a) the 181 st day immediately following the related Bank Purchase Date and (b) the Stated Expiration Date, and thereafter	Term Out Rate

provided, however, that (a) upon and following the occurrence of an Event of Termination hereunder, all amounts due hereunder and under the Fee Letter shall bear interest in an amount equal to the Default Rate; (b) at no time shall interest calculated on the basis of the Bank Interest Rate be payable in excess of the Maximum Lawful Rate and (c) subject to satisfaction of the conditions set forth in Section 3.03, Base Rate plus 2.0% shall be applicable with respect to all Bank-Owned Bonds purchased by the Bank on the Stated Expiration Date from and including such day. Notwithstanding the foregoing, at no time will the "Bank Interest Rate", but only as such term is applied to any Bank-Owned Bond, be lower than the rate of interest borne by Bonds that do not constitute Bank-Owned Bonds.

"Bank-Owned Bondholder" means the Bank (but only in its capacity as owner of Bonds acquired pursuant to this Agreement) and any other Person to whom the Bank has sold Bank-Owned Bonds pursuant to Section 2.04(a).

"Bank-Owned Bonds" means Bonds acquired by the Bank pursuant to this Agreement and held by a Bank-Owned Bondholder.

"Bank Purchase Date" means a Business Day during the Bank Purchase Period on which the Bank is required to purchase Bonds pursuant to Section 2.02.

"Bank Purchase Period" means the period from the effective date of this Agreement to and including the earliest of (i) the Stated Expiration Date then in effect, (ii) the date on which no Bonds are Outstanding, (iii) the Substitution Date, but not until the Bank has remitted to the Paying Agent in immediately available funds full payment of the Purchase Price for any Bonds the Bank is required to purchase on or before such date pursuant to this Agreement, (iv) the Purchase Termination Date, (v) the close of business on the Business Day immediately succeeding the Mode Change Date on which all of the Bonds are converted to a Mode other than the Daily Mode or the Weekly Mode or (vi) the close of business on the date the Available Commitment is reduced to zero or terminated pursuant to Section 2.03.

"Base Rate" means, for any day, a per annum rate of interest equal to the highest of (a) the Prime Rate plus one percent (1.0%) per annum, (b) the Federal Funds Rate plus two percent (2.0%) per annum, and (c) seven percent (7.0%) per annum. Each change in the Base Rate shall take effect at the time of such change in the Prime Rate or the Federal Funds Rate, as the case may be. Each determination of the Base Rate by the Bank will be conclusive and binding on the County, absent manifest error.

"Bond Order" means the Order (Executive Order No. 175-17 and Department No. B361-17), dated December 19, 2017, as it may be supplemented or amended from time to time pursuant to the provisions thereof.

"Bonds" shall have the meaning assigned to that term in the recitals to this Agreement and shall include, unless the context otherwise requires, all Bank-Owned Bonds.

"Business Day" means any day other than a Saturday, Sunday, a day on which banking institutions are authorized or required by law or executive order to be closed for commercial banking purposes in the State of New York or the State of Maryland, or any day on which banks in the cities in which the corporate trust office of the Registrar and Paying Agent and the principal offices of the Bank and the Remarketing Agent are located are not authorized or required by law to remain closed and on which the New York Stock Exchange is not closed.

"Charter" means the Montgomery County Charter, as amended or supplemented from time to time.

"Code" means the Internal Revenue Code of 1986, as amended, and the rules and regulations thereunder, including any amendments and successor provisions thereto.

"County Code" means Chapter 20 of the Montgomery County Code, as amended or supplemented from time to time.

"County Representative" has the meaning set forth in the Bond Order.

"Custodian" has the meaning given in Section 2.02(c).

"Daily Mode" has the meaning set forth in the Bond Order.

"Default Rate" means the Base Rate plus three percent (3.0%) per annum, but in no event greater than the Maximum Lawful Rate.

"Defaulted Interest" means accrued interest payable on a Bond which was not paid when due under the terms of such Bond and the Bond Order.

"Deferred Interest" has the meaning given in Section 3.01(c).

"Deferred Interest Fee Amount" has the meaning given in Section 3.01(c).

"Depository" means DTC or any successor depository for the Bonds appointed pursuant to the Bond Order under which such Bonds are issued.

"Differential Interest Amount" means the amount equal to (a) the amount of interest on Bank-Owned Bonds, as provided under this Agreement, payable on each Interest Payment Date to the owners of Bank-Owned Bonds, minus (b) the amount of interest on Bank-Owned Bonds accruing at the applicable rate for Bonds other than Bank-Owned Bonds during the interest rate period with respect to which interest is payable on that Interest Payment Date (which amount shall include interest on the sale date of the applicable Bank-Owned Bonds).

"Dollars," and "\$" means the lawful currency of the United States of America.

"DTC" means The Depository Trust Company, and its successors and assigns.

"DTC Book-Entry Account" has the meaning given in Section 2.02(b).

"Eligible Bonds" means any Bonds in a Daily Mode or a Weekly Mode, other than Bonds owned by, for the account of, or on behalf of, the County or any Affiliate thereof.

"Enabling Act" means Section 19-208 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2017 Supplement).

"Event of Termination" has the meaning given in Section 7.01.

"Extended Bank Purchase Period" has the meaning given in Section 8.06.

"Facility Fee" has the meaning set forth in Fee Letter.

"F.A.S.T. Eligible Bond" has the meaning given in Section 2.02(b).

"Federal Funds Rate" means, for any day, the rate per annum equal to the weighted average of the rates on overnight Federal funds transactions with members of the Federal Reserve System arranged by Federal funds brokers on such day, as published by the Federal Reserve Bank of New York on the Business Day next succeeding such day; *provided that:* (a) if such day is not a Business Day, then the Federal Funds Rate for such day shall be such rate on such transactions on the next preceding Business Day as so published on the next succeeding Business Day; (b) if no such rate is so published on such next succeeding Business Day, then the Federal Funds Rate for such day shall be the average rate (rounded upward, if necessary, to a whole multiple of one-hundredth of one percent) charged to the Bank on such day on such transactions as determined by the Bank; and (c) if the Federal Funds Rate shall be less than zero, such rate shall be deemed zero for purposes of this Agreement.

"Fee Letter" means the Fee Letter, dated December 19, 2017, between the Bank and the County, as amended or supplemented from time to time.

"Fitch" means Fitch, Inc.

"GAAP" means generally accepted accounting principles applicable to governmental entities in the United States of America as in effect from time to time, applied by the County on a basis consistent with the County's most recent financial statements.

"Governmental Authority" means any national, state or local government (whether domestic or foreign), any political subdivision thereof or any other governmental, quasigovernmental, judicial, public or statutory instrumentality, authority, body, tribunal, agency, bureau, court or entity (including the Federal Deposit Insurance Corporation or the Federal Reserve Board, any central bank or any comparable authority), or any arbitrator with authority to bind any of the parties to this Agreement at law.

"Guarantee" means the legal obligation to pay the Indebtedness or satisfy the liabilities of another Person, whether such guarantee is of payment or performance.

"Immediate Termination Event" has the meaning given in Section 7.02(a) and consists of any Event of Termination described in Section 7.01(a), 7.01(c), 7.01(d), 7.01(e)(i), 7.01(e)(ii), 7.01(j)(i) or 7.01(m).

"Indebtedness" means and includes (a) indebtedness for borrowed money under any bond, note, indenture, loan agreement or other similar instrument or agreement, (b) indebtedness arising under reimbursement obligations by virtue of drawings under a letter of credit, (c) obligations with respect to any conditional sale agreement or title retention agreement, (d) Guarantees, to the extent payments have been demanded, whether or not paid, and (e) obligations under leases which are required to be capitalized or treated as a "finance lease" by GAAP.

"Interest Component" has the meaning given in Section 2.01.

"Interest Payment Date" means the first Business Day of each month.

"Lien" means any mortgage, lien, security interest, pledge, charge or encumbrance of any kind in respect of any Property, including the interests of a vendor or lessor under any conditional sale, capital lease or other title retention arrangement.

"Maximum Bond Rate" means 10% per annum.

"Maximum Lawful Rate" means the maximum rate of interest on the relevant obligation permitted by applicable law.

"Mode" has the meaning set forth in the Bond Order.

"Mode Change Date" has the meaning set forth in the Bond Order.

"Moody's" means Moody's Investors Service, Inc., its successors and assigns.

"Notice of Bank Purchase" means in the case of a purchase of Eligible Bonds by the Bank on a Purchase Date pursuant to Section 4.11 of the Bond Order, a notice in the form of Exhibit A, and in the case of a mandatory purchase of Eligible Bonds by the Bank on a Mandatory Purchase Date pursuant to Section 4.11 of the Bond Order, a notice in the form of Exhibit B.

"Notice of Termination" has the meaning given in Section 7.02(b).

"OFAC" means the U.S. Department of the Treasury's Office of Foreign Assets Control, and any successor thereto.

"Official Statement" means the Official Statement of the County, dated December 11, 2017 with respect to the Bonds, and any supplement or amendment thereto used with respect to the Bonds.

"Parity Debt" has the meaning given in Section 7.01(e).

"Participant" has the meaning given in Section 8.03.

"Patriot Act" means the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), as amended from time to time, and any successor statute.

"Person" means an individual, a corporation, a partnership, a limited liability company, an association, a trust or any other entity or organization, including a government or a political subdivision or an agency or instrumentality thereof.

"Potential Termination Event" means the occurrence of any event which, with the passage of time, the giving of notice, or both, would become an Event of Termination.

"Prime Rate" means, on any day, the rate of interest per annum then most recently established by the Bank as its "prime rate." Any such rate is a general reference rate of interest, may not be related to any other rate, and may not be the lowest or best rate actually charged by the Bank to any customer or a favored rate and may not correspond with future increases or decreases in interest rates charged by other lenders or market rates in general, and that the Bank may make various business or other loans at rates of interest having no relationship to such rate. If the Bank ceases to establish or publish a prime rate from which the Prime Rate is then determined, the applicable variable rate from which the Prime Rate is determined thereafter shall be instead the prime rate reported in The Wall Street Journal (or the average prime rate if a high and a low prime rate are therein reported), and the Prime Rate shall change without notice with each change in such prime rate as of the date such change is reported.

"Property" means any and all rights, titles and interests in and to any and all property, whether real or personal, tangible (including cash) or intangible, wherever situated and whether now owned or hereafter acquired.

"Purchase Price" with respect to any Bond or portion thereof on a Bank Purchase Date therefor, means the unpaid principal amount thereof plus accrued interest thereon, other than Defaulted Interest, to but excluding such Bank Purchase Date, in each case without premium; *provided* that if the applicable Bank Purchase Date is an Interest Payment Date, interest payable on such Bond on such Interest Payment Date shall not be taken into account in the computation of the Purchase Price payable by the purchaser of such Bond.

"Purchase Termination Date" means the close of business on the date on which the Bank is no longer required to purchase Tendered Bonds pursuant to Section 7.02(a), (b) or (c).

"Quarter" means a three-month period beginning January 1, April 1, July 1 or October 1.

"Rating Agencies" means S&P, Moody's and Fitch.

"Related Documents" means this Agreement, the Fee Letter, the Bonds, the Resolution, the Bond Order and the Remarketing Agreement.

"Remarketing Agent" means J.P. Morgan Securities LLC in its capacity as Remarketing Agent, as defined in the Bond Order, and any successor Remarketing Agent for the Bonds.

"Remarketing Agreement" means the Remarketing Agreement, dated as of December 19, 2017, between the Remarketing Agent and the County, as amended and supplemented from time to time.

"Resolution" means Resolution No. 16-1104 adopted by the County Council of the County on October 20, 2009, as amended from time to time.

"Sale Price" has the meaning given in Section 2.04(b).

"S&P" means S & P Global Ratings, its successors and assigns.

"Sanctioned Country" means, at any time, any country or territory which is itself the subject or target of any comprehensive Sanctions.

"Sanctioned Person" means, at any time, (a) any person or group listed in any Sanctions-related list of designated persons maintained by OFAC or the U.S. Department of State, the United Nations Security Council, the European Union or any EU member state, (b) any person or group operating, organized or resident in a Sanctioned Country, (c) any agency, political subdivision or instrumentality of the government of a Sanctioned Country, or (d) any person 50% or more owned, directly or indirectly, by any of the above.

"Sanctions" means economic or financial sanctions or trade embargoes imposed, administered or enforced from time to time by (a) the U.S. government, including those administered by OFAC or the U.S. Department of State or (b) the United Nations Security Council, the European Union or Her Majesty's Treasury of the United Kingdom.

"Stated Expiration Date" means the later of (a) 5:00 p.m. on December 18, 2020, or, if such day is not a Business Day, the Business Day next preceding such day and (b) 5:00 p.m. on the last day of any extension of such date pursuant to Section 8.06 or, if such day is not a Business Day, the Business Day next preceding such day.

"Substitution Date" means the date on which an Alternate Liquidity Facility is accepted by the Registrar and Paying Agent and becomes effective.

"Tendered Bonds" means, as of any date, Eligible Bonds which are tendered or deemed tendered for purchase pursuant to Sections 4.01, 4.03 or 4.05 of the Bond Order.

"Termination Date" has the meaning given in Section 7.02(b).

"Term Out Period" means the period commencing on the first to occur of (a) the one hundred eighty-first (181st) day following the Bank Purchase Date and (b) the Stated Expiration Date, and ending on the third (3rd) anniversary of the date on which the related advance was first made pursuant hereto.

"Term Out Rate" means the Base Rate plus 2.0% per annum.

"Weekly Mode" has the meaning set forth in the Bond Order.

"Written" or "in writing" means any hard copy form of written communication or a communication by means of telecopier device or electronic mail.

Section 1.02 Interpretation. In this Agreement, the singular includes the plural and the plural the singular; words importing any gender include the other genders; references to statutes are to be construed as including all statutory provisions consolidating, amending or replacing the statute referred to; the word "including" shall be deemed to be followed by the words "without limitation." All references to Sections and Exhibits shall be deemed references to Sections of and Exhibits to this Agreement unless the context shall otherwise require.

ARTICLE II

THE COMMITMENT; FEES

Section 2.01 Commitment to Purchase Bonds. The Bank agrees, on the terms and conditions contained in this Agreement, to extend credit to the County through the purchase of Tendered Bonds and any Bonds subject to purchase on a Mandatory Purchase Date, for the Bank's own account, from time to time during the Bank Purchase Period at the Purchase Price. The aggregate principal amount (or portion thereof) of any Bond purchased by the Bank on any Bank Purchase Date shall be an authorized denomination applicable to the Bonds, and in any case the aggregate principal amount of all Bonds purchased on any Bank Purchase Date shall not exceed the Available Principal Commitment on such date. The aggregate amount of the Purchase Price comprising interest on the Bonds (the "Interest Component") purchased on any Bank Purchase Date shall not exceed the lesser of (i) the Available Interest Commitment on such date and (ii) the actual aggregate amount of interest accrued on each such Bond, other than Defaulted Interest, to but excluding such Bank Purchase Date; *provided* that if the applicable Bank Purchase Date is an Interest Payment Date the amount described in this clause (ii) shall be reduced by the amount of interest payable on each such Bond on such Interest Payment Date. Any Bonds so purchased shall thereupon constitute Bank-Owned Bonds and shall, from the date of such purchase and while they are Bank-Owned Bonds, bear interest at the Bank Interest Rate subject to the provisions of Section 2.04(c) and have other characteristics of Bank-Owned Bonds as set forth herein and in the Bond Order. To the extent the obligation of the Bank to purchase Bonds may be characterized as an obligation to make a loan to the County to permit its purchase of unremarketed Bonds, the County hereby grants to the Bank a security interest in any and all Bank-Owned Bonds and in the proceeds thereof.

Section 2.02 Method of Purchasing; Book-Entry; Custodian.

(a) Method of Purchasing. The Remarketing Agent shall give telephone notice to the Registrar and Paying Agent on each Bank Purchase Date, by 12:00 noon (Eastern time) of the amount of the aggregate Purchase Price of remarketed Bonds and of the aggregate principal amount of Bonds which were not remarketed. If by 12:30 p.m. (Eastern time) on the applicable Bank Purchase Date, the Bank receives from the Registrar and Paying Agent a notice substantially in the form of Exhibit A or Exhibit B, as the case may be (any such notice to be referred to as a "Notice of Bank Purchase"), the Bank will, during the Bank Purchase Period, unless the Bank is no longer obligated to purchase Bonds pursuant to this Agreement, transfer not later than 2:30 p.m. (Eastern time) on the Bank Purchase Date to the Registrar and Paying Agent, in immediately available funds, an amount equal to the aggregate Purchase Price of such

Bonds as set forth in the applicable Notice of Bank Purchase. Any Bonds acquired by the Bank by virtue of a tender pursuant to Sections 4.01, 4.03 or 4.05 of the Bond Order shall bear interest at the Bank Interest Rate subject to the provisions of Section 2.04(c). The Bank shall not have any responsibility for, or incur any liability in respect of, any act, or any failure to act, by the Registrar and Paying Agent which results in the failure of the Registrar and Paying Agent (y) to credit the appropriate account with funds made available by the Bank pursuant to this Section or (z) to effect the purchase for the account of the Bank of Bonds with such funds pursuant to this Section. The Bank shall purchase any Bonds it is required to purchase with its own funds and purchase payments shall be made in immediately available funds. Prior to the sale of any Bond by the Bank as provided in Section 2.04(a), the Bank agrees to give all notices in the manner and by the time required by the Depository to exclude such Bank-Owned Bond from mandatory tenders of Bonds. Amounts made available hereunder which are not so used to purchase Bonds will be returned to the Bank by the Registrar and Paying Agent no later than 3:30 p.m. Eastern time on the applicable Bank Purchase Date.

(b) Book-Entry. So long as the Bonds are issued in book-entry form and held by the Registrar and Paying Agent as custodian of DTC as part of DTC's fast automated transfer program ("F.A.S.T. Eligible Bond"), concurrently with the Registrar and Paying Agent's receipt of the purchase price for each purchase of Bonds by the Bank hereunder, the Registrar and Paying Agent, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry (A) crediting the DTC account designated by the Bank as its account in which to hold Bank-Owned Bonds purchased by it (each, the "Bank Book-Entry Account") by the principal amount of the Bonds purchased hereunder by the Bank using the Bank-Owned Bond CUSIP number for such Bank-Owned Bonds; and (B) debiting the book-entry account of DTC for the Bonds (thereby reducing the principal balance of the global certificate representing the Bonds) (the "DTC Book-Entry Account") by the principal amount of the Bonds purchased hereunder by the Bank. The Registrar and Paying Agent shall promptly cause a CUSIP number for Bonds that are Bank-Owned Bonds to be assigned upon the request of the Bank. So long as the Bonds are F.A.S.T. Eligible Bonds, upon a remarketing of Bank-Owned Bonds in accordance with the terms of this Agreement and the Registrar and Paying Agent's receipt from the Remarketing Agent and/or the County of the amounts set forth in Section 2.04(b) hereof, the Registrar and Paying Agent, as a participant of DTC (or any other successor securities depository) or an eligible transfer agent, shall make a direct registration electronic book-entry in its records (A) debiting the Book-Entry Account of the Bank by the principal amount of the Bank-Owned Bonds so remarketed; and (B) crediting the DTC Book Entry Account for such Bank-Owned Bonds (thereby increasing the principal balance of the global certificate representing such Bonds) by the principal amount of the Bonds so remarketed. The Registrar and Paying Agent acknowledges that it is familiar with the procedures and requirements set forth in a notice from The Depository Trust Company, dated April 4, 2008, respecting "Variable Rate Demand Obligations ("VERDI") Failed Remarketings and Issuance of Bank-Owned Bonds", and agrees that, with respect to any and all Bank-Owned Bonds, it will follow the procedures and requirements set forth in such notice, as the same may be amended from time to time. To the extent that, following any amendment of such notice, the procedures and requirements therein should become inconsistent with any aspect of the provisions in the preceding sentences, the Registrar and Paying Agent, the County and the Bank shall promptly negotiate in good faith and agree upon amendments of the preceding sentences so as to eliminate such inconsistency.

(c) Custodian. If the Bonds are no longer F.A.S.T. Eligible Bonds, concurrently with the receipt of the Purchase Price for each purchase of Bonds by the Bank hereunder, the Registrar and Paying Agent shall cause each Bank-Owned Bond to be registered in the name of the Bank and held by the Registrar and Paying Agent as the agent, bailee and custodian (in such capacity, the "Custodian") of the Bank for the exclusive benefit of the Bank. The Custodian acknowledges and agrees that it is acting and will act with respect to Bank-Owned Bonds at the written direction of the Bank for the exclusive benefit of the Bank and is not and shall not at any time be subject in any manner or to any extent to the direction or control of the County or any other Person with respect to the Bonds. The Custodian agrees to act in strict accordance with this Agreement and in accordance with any lawful written instructions delivered to the Custodian from time to time pursuant hereto by the Bank. Under no circumstances shall the Custodian deliver possession of the Bank-Owned Bonds to, or cause Bank-Owned Bonds to be registered in the name of, the County, the Remarketing Agent or any Person other than the Bank except in accordance with the express terms of this Agreement or otherwise upon the written instructions of the Bank. If, while this Agreement is in effect, the Custodian shall become entitled to receive or shall receive any payment in respect of any Bank-Owned Bonds held for the Bank, the Custodian agrees to accept the same as the Bank's agent and to hold the same in trust on behalf of the Bank and to deliver the same forthwith to the Bank's account and address set forth in Section 3.02(a). Upon the remarketing of any Bank-Owned Bonds and the Registrar and Paying Agent's receipt from the Remarketing Agent and/or the County of the amounts set forth in Section 2.04(b), the Custodian shall release Bank-Owned Bonds in a principal amount equal to the principal amount so remarketed to the Remarketing Agent or the County, as the case may be, in accordance with the terms of the Bond Order. The Custodian may rely and shall be protected in acting upon any document believed by it to be genuine and to have been signed or presented by the proper party or parties. The Custodian shall not be liable for any error in judgment made in good faith by its responsible officers, employees and agents unless the Custodian, its responsible officers, employees or agents were grossly negligent or engaged in willful misconduct. Anything herein to the contrary notwithstanding, the Custodian shall have no liability hereunder for any act or omission except as shall result from its gross negligence or willful misconduct. Except as provided above, without the prior written consent of the Bank, the Custodian agrees that it will not sell, assign, transfer, exchange or otherwise dispose of, or grant any option with respect to, Bank-Owned Bonds, and will not create, incur or permit to exist any pledge, lien, mortgage, hypothecation, security interest, charge, option or any other encumbrance or take any other action with respect to the Bank-Owned Bonds, or any interest therein, or any proceeds thereof. The Custodian shall deliver to the Bank at the Bank's written request such information as may be in the possession of the Custodian with respect to such Bank-Owned Bonds. If the Custodian is holding Bank-Owned Bonds, the Custodian, at its own expense, shall maintain and keep in full force and effect: fidelity insurance; theft of documents insurance; forgery insurance; and errors and omissions insurance (which may be maintained by self-insurance). All such insurance shall be in amounts, with standard coverage and subject to deductibles that are customary for insurance typically maintained by a bank or other financial institution acting as custodian.

Section 2.03 Reduction of Commitment.

(a) Mandatory Reduction of Commitment. Upon receipt by the Bank of notice of (i) any redemption, repayment or other payment pursuant to the Bond Order of all or any portion of the principal amount of the Bonds (other than Bank-Owned Bonds) so that said Bonds shall have ceased to be Outstanding under the Bond Order, or (ii) any conversion of all or any portion of the principal amount of the Bonds to a Mode other than the Daily Mode or the Weekly Mode, then in each case, the aggregate Available Principal Commitment of the Bank shall automatically be reduced by the principal amount of said Bonds so redeemed, repaid, defeased or otherwise deemed paid or otherwise converted and the Available Interest Commitment shall also be simultaneously reduced. The Registrar and Paying Agent shall cause written notice of such redemption, repayment, other payment or conversion to be promptly delivered to the Bank.

(b) Voluntary Termination or Reduction of Commitment. The County may terminate this Agreement, at any time, by substituting an Alternate Liquidity Facility for this Agreement by giving the Bank not less than ten (10) Business Days' notice in writing to such effect; provided that on the Substitution Date the County shall purchase or cause to be purchased any Bank-Owned Bonds, not otherwise remarketed, held by or on behalf of a Bank-Owned Bondholder at a purchase price equal to the principal amount of such Bank-Owned Bonds plus accrued interest thereon and the County and/or such provider shall pay all other amounts owing to the Bank hereunder (including accrued and unpaid Differential Interest Amounts and Deferred Interest Fee Amounts and interest thereon). The Available Commitment shall automatically terminate on the expiration of the Bank Purchase Period.

(c) No Other Termination. Except as specifically provided in this Section 2.03, no Person shall have the right to reduce or terminate the Available Commitment.

Section 2.04 Sale of Bank-Owned Bonds.

(a) Right to Sell Bank-Owned Bonds. The Bank expressly reserves the right to sell, at any time, Bank-Owned Bonds subject, however, to the express terms of this Agreement. The Bank agrees that such sales (other than sales made pursuant to Section 2.04(b)) will be made only to institutional investors or other entities or individuals which customarily purchase commercial paper or tax-exempt securities in large denominations. The Bank agrees to notify in writing the County, the Registrar and Paying Agent and the Remarketing Agent promptly of any such sale (other than a sale made pursuant to Section 2.04(b)); and to notify the transferee in writing that such Bond is no longer an Eligible Bond so long as it remains a Bank-Owned Bond and that there may not be a short-term investment rating assigned to such Bond so long as it remains a Bank-Owned Bond. Prior to selling a Bank-Owned Bond to a Bank-Owned Bondholder pursuant to this Section 2.04(a), the Bank shall obtain a written acknowledgment from such Bank-Owned Bondholder stating that such purchaser has no right to tender the Bank-Owned Bond.

(b) Sales by Remarketing Agent. The Bank and each other Bank-Owned Bondholder, by the acceptance by each of a Bank-Owned Bond, hereby authorizes the Remarketing Agent to sell Bank-Owned Bonds purchased pursuant to Section 2.02 on behalf of the Bank or such Bank-Owned Bondholder pursuant to the Bond Order and in accordance with

applicable securities law at a price equal to the principal amount thereof plus unpaid accrued interest thereon to but excluding the date such Bank-Owned Bonds are to be sold pursuant to this Section 2.04(b) (the "Sale Price"). If less than all Bank-Owned Bonds are remarketed on any date, the Bank-Owned Bonds shall be remarketed in the chronological order in which such Bonds became Bank-Owned Bonds. Any sale of a Bank-Owned Bond pursuant to this Section 2.04(b) shall be without recourse to the seller and without representation or warranty of any kind. The Bank agrees to deliver and, by its acceptance of a Bank-Owned Bond, each other Bank-Owned Bondholder agrees to deliver (but only upon receipt by the Bank or such other Bank-Owned Bondholder of Dollars in the amount of the Sale Price) to the Registrar and Paying Agent each certificate representing a Bank-Owned Bond sold by it pursuant to this Section 2.04(b), including without limitation certificates representing Bank-Owned Bonds which are deemed to have been delivered in accordance with the provisions of the Bond Order.

(c) Right to Retain Bonds.

(1) Notwithstanding the foregoing or anything else contained in this Agreement, the Bank and each other Bank-Owned Bondholder shall have the right, by not less than two (2) Business Days' prior written notice to the County and the Remarketing Agent, to elect not to sell the Bank-Owned Bonds or any portion thereof pursuant to Section 2.04(b); provided that such election may be revoked before the expiration of said (2) Business Days by the Bank or such other Bank-Owned Bondholder.

(2) After any sale of Bank-Owned Bonds by the Remarketing Agent pursuant to Section 2.04(b) and payment to the applicable Bank-Owned Bondholder of the outstanding principal and interest accrued on the Bank-Owned Bonds so sold, or after any election by a Bank-Owned Bondholder not to sell such Bank-Owned Bonds or any portion thereof through the Remarketing Agent pursuant to Section 2.04(b), such Bank-Owned Bonds so sold or as to which such election is made, shall from such sale date or upon such election cease to bear interest at the Bank Interest Rate and shall bear interest at the rate for Bonds other than Bank-Owned Bonds (and the Available Commitment shall be increased in the same amount as would be the case if said Bonds had been remarketed), provided that if such Bank-Owned Bonds are retained by the Bank, Deferred Interest (including interest thereon) described in Section 3.01 shall still be included as additional interest on said Bonds. Bank-Owned Bonds held by the Bank or such other Bank-Owned Bondholder bearing interest at the rate for Bonds other than Bank-Owned Bonds may be tendered for purchase in accordance with and to the extent permitted by Article IV of the Bond Order by notice from the holder of said Bonds to the Remarketing Agent.

(d) Payment of Differential Interest Amount and Deferred Interest Fee Amount. Following any sale of Bank-Owned Bonds, pursuant to Section 2.04(b) or otherwise, or any election to retain Bonds pursuant to Section 2.04(c), the Bank shall retain the right to receive payment from the County of any accrued Differential Interest Amount and any Deferred Interest Fee Amount and interest thereon as provided herein and in the Bond Order. Any Differential Interest Amount and any Deferred Interest Fee Amount payable on Bank-Owned Bonds sold by the Remarketing Agent shall be payable by the County to the Bank on the earlier of (i) the occurrence of an Immediate Termination Event and (ii) the Interest Payment Date for Bank-Owned Bonds next succeeding the applicable Purchase Date or if the Purchase Date is an Interest Payment Date for Bank-Owned Bonds, then on such Purchase Date.

Section 2.05 Fees. The County shall pay to the Bank the Facility Fee and the other fees, expenses and payments described in the Fee Letter at the times and in the amounts specified in the Fee Letter. Any references to the Facility Fee and such other fees, expenses and payments owed to the Bank hereunder without specific reference to the Fee Letter shall be read so as to include the Fee Letter, which is hereby incorporated by reference.

Section 2.06 Compensation for Increased Costs.

(a) Reserves, Etc. In the event any introduction of any law, rule or regulation (domestic or foreign), or any change in any law, rule or regulation, or the interpretation or application thereof by any Governmental Authority, or the compliance with any guidelines or request from any Governmental Authority (whether or not having the force of law):

(i) subjects the Bank to any tax, deduction or withholding or changes the basis for taxation with respect to this Agreement, the Fee Letter or any Bank-Owned Bonds held by or on behalf of the Bank (other than any tax based upon the overall net income of the Bank), or

(ii) imposes, modifies or deems applicable any reserve, special deposit, insurance premium (including any assessment or other cost imposed by the Federal Deposit Insurance Corporation or any successor thereto) or similar requirement against credits or commitments to extend credit extended by, or assets (funded or contingent) held by, or deposits with or for the account of, or loans by, or other acquisitions of funds or bonds by, the Bank, or

(iii) imposes upon the Bank any other condition or expense with respect to this Agreement, the Fee Letter, the commitment or obligations of the Bank hereunder or under the Fee Letter, the Bonds or the purchase or holding of Bank-Owned Bonds by or on behalf of the Bank, and the result of any of the foregoing is to increase the cost to the Bank, reduce the income receivable by the Bank, impose any expense upon the Bank or reduce the amount of any payment receivable by the Bank, with respect to this Agreement, the Fee Letter, any Bank-Owned Bond or any purchase of Eligible Bonds or holding by the Bank of Bank-Owned Bonds (other than Bank-Owned Bonds retained by the Bank pursuant to Section 2.04(c)), or with respect to the Available Commitment or any portion thereof as reasonably determined and allocated by the Bank, by an amount which the Bank deems to be material, the Bank shall from time to time notify the County thereof by delivery of a certificate of an officer of the Bank of the nature described in the next sentence (an "Increased Costs Certificate"), and the County shall pay to the Bank from time to time such amounts as provided in this Section 2.06(a). An Increased Costs Certificate setting forth in reasonable detail such increase in cost, reduction in income or additional expense or reduced amount or reduced rate of return, and the manner of calculating the same as determined by the Bank, shall be submitted by the Bank to the County and, absent manifest error, shall be conclusive as to the amount thereof. Such increased compensation shall be reduced or eliminated if the event causing such increase is modified or ceases to exist. The County shall pay to the Bank no later than the 91st day following receipt of an Increased Costs Certificate, that amount which shall compensate the Bank (on an after tax basis, grossing up to cover any taxes payable by the Bank on such amount) for such increase in cost, reduction in income, additional expense, reduced amount or reduced rate of return determined by the Bank in accordance with this Section 2.06(a) and set forth in the Increased Costs Certificate; provided, however, if the County elects to terminate this Agreement after the

receipt of an Increased Costs Certificate and such termination occurs prior to the 91st day following the receipt thereof, no amounts shall be due from the County under this Section 2.06(a) (provided that all other amounts payable to the Bank under Section 2.03(b) shall be paid to the Bank by the County at or prior to the time of termination); and provided further, however, the County shall have no liability for any increase in cost, reduction in income, additional expense, reduced amount or reduced rate of return payable under this Section 2.06(a) which is incurred more than 180 days prior to the receipt by the County of the applicable Increased Costs Certificate.

(b) Capital Costs. If the Bank shall have determined that the applicability of any law, rule, regulation or report, or the adoption of any law, rule, regulation or guideline (whether or not having the force of law) regarding capital adequacy (including but not limited to any United States or foreign law, rule, regulation or guideline), or any change in any applicable law, rule, regulation or guideline, as the case may be, or any change in the enforcement or interpretation or administration thereof by any Governmental Authority charged with the interpretation or administration thereof, or compliance by the Bank (or any lending office thereof) with any request or directive regarding capital adequacy (whether or not having the force of law) of any such authority, central bank or comparable agency, has or would have the effect of reducing the rate of return on capital of the Bank or of its bank holding company, if any, as a consequence of its obligations hereunder, its Available Commitment or its purchase of Tendered Bonds or holding of Bank-Owned Bonds (other than Bank-Owned Bonds retained by the Bank pursuant to Section 2.04(c)) to a level below that which the Bank could have achieved but for such applicability, adoption, change or compliance (taking into consideration the policies of the Bank with respect to liquidity and capital adequacy) by an amount deemed by the Bank to be material, then the County shall pay to the Bank from time to time as specified by the Bank the amount of such reduction as provided in this Section 2.06(b). Each demand for compensation pursuant to this Section 2.06(b) shall be accompanied by a certificate (an "Increased Capital Costs Certificate") of an officer of the Bank in reasonable detail setting forth the computation of such compensation (including the reason therefor), which certificate shall be conclusive, absent manifest error. Such increased compensation shall be reduced or eliminated if the event causing such increase is modified or ceases to exist. The County shall pay to the Bank no later than the 91st day following receipt of an Increased Capital Costs Certificate, the amount of any reduction determined by the Bank in accordance with this Section 2.06(b) and set forth in the Increased Capital Costs Certificate; provided, however, if the County elects to terminate this Agreement after the receipt of an Increased Capital Costs Certificate and such termination occurs prior to the 91st day following the receipt thereof, no amounts shall be due from the County under this Section 2.06(b) (provided that all other amounts payable to the Bank under Section 2.03(b) shall be paid to the Bank by the County at or prior to the time of termination); and provided further, however, the County shall have no liability for any reduction in the rate of return on capital payable under this Section 2.06(b) which is incurred more than 180 days prior to the receipt by the County of the applicable Increased Capital Costs Certificate.

(c) Calculations. The amounts owed by the County as compensation to the Bank pursuant to this Section 2.06 shall be calculated as though the Bank were the holder of all Bank-Owned Bonds including Bank-Owned Bonds held by a Participant.

ARTICLE III

INTEREST RATES; PAYMENTS; AMORTIZATION

Section 3.01 Bonds to Bear Interest at Bank Interest Rate; Other Interest Provisions.

(a) Bank Interest Rate. Any Bond purchased by the Bank pursuant to this Agreement shall thereupon become a Bank-Owned Bond and shall bear interest at the Bank Interest Rate for the period commencing from the date that the Bank shall have purchased said Bond and, subject to Section 2.04(c), continuing until said Bond is paid in full or remarketed as provided in Section 2.04(b). The Bank shall give telephonic notice, confirmed in writing, to the Registrar and Paying Agent and the County on the Business Day preceding each Interest Payment Date of the interest payment due on Bank-Owned Bonds on such date. The failure of the Bank to give any notice shall not limit or otherwise affect the obligation of the County to pay interest on the Bank-Owned Bonds at the rates specified in this Section 3.01.

(b) Overdue Rate. Any portion of the Purchase Price paid by the Bank in respect of accrued interest due on a Bond shall be repaid by the County on the date on which the Bank pays such amount, and if not so repaid, shall bear interest, payable by the County on demand, at the Default Rate from the date advanced, disbursed or transmitted until the date such amount is paid to the Bank. If the principal amount of any Bank-Owned Bond, or any other obligation of the County under this Agreement or the Bank-Owned Bonds (including, to the extent permitted by law, any interest payment required thereunder) is not paid when due (whether by acceleration, redemption or otherwise), such overdue principal payment or other obligation shall bear interest from the date such principal amount or other obligation, as the case may be, was due until paid in full (after as well as before judgment) at a rate per annum equal to the Default Rate, such interest to be payable on demand. If at any time an Event of Termination has occurred and is continuing, the principal amount of any Bank-Owned Bond, or any other obligation of the County under this Agreement or the Bank-Owned Bonds (including, to the extent permitted by law, any interest payment required thereunder) shall bear interest from the date such principal amount or other obligation, as the case may be, was due until paid in full (after as well as before judgment) at a rate per annum equal to the Default Rate, such interest to be payable on demand. Notwithstanding the foregoing, however, it shall not be an Event of Default under this Agreement until, with respect to a default in the payment of interest at the Default Rate payable on demand, two Business Days shall have elapsed from the date of the demand.

(c) Deferred Interest. For any period during which Bank-Owned Bonds are outstanding and as to each monthly interest period, in the event that the amount of interest which would be payable on the Bank-Owned Bonds (calculated at the Bank Interest Rate for a monthly interest period, or in the case of the payment of the Differential Interest Amount, if any, on a Bank-Owned Bond for the period from the date of the first day of the current interest period through but not including the date on which such Bank-Owned Bond is remarketed or paid) exceeds the Maximum Lawful Rate, the amount of such excess shall not be payable on the Interest Payment Date for such monthly interest period as interest on such Bank-Owned Bonds but shall be deferred ("Deferred Interest"). Deferred Interest shall be allocated among the Bank-Owned Bonds outstanding on such Interest Payment Date based upon the principal amount thereof and the length of time such Bank-Owned Bonds were outstanding during the monthly

interest period related to such Interest Payment Date. Deferred Interest arising on any Interest Payment Date (i) shall to the extent permitted by law, bear interest (compounded monthly on each succeeding Interest Payment Date) at a rate per annum equal to the Bank Interest Rate until paid in full and (ii) shall become payable, together with interest thereon, to the extent permitted by law, on the next succeeding Interest Payment Date or Dates to the extent the interest (including Deferred Interest and to the extent permitted by law, interest on Deferred Interest) payable on the Bank-Owned Bonds (if any) for the monthly interest period ending on such Interest Payment Date does not exceed the Maximum Lawful Rate for such monthly interest period. All amounts of interest payable on a Bond which is a Bank-Owned Bond, including, without limitation, Deferred Interest (and interest thereon, to the extent permitted by law), for so long as such Bond shall remain a Bank-Owned Bond, shall constitute interest on such Bond. To the extent Deferred Interest (or, to the extent permitted by law, any interest thereon) shall be unpaid with respect to Bank-Owned Bonds, and such Bonds shall be redeemed or remarketed or shall otherwise cease to be Bank-Owned Bonds, such unpaid Deferred Interest (including, to the extent permitted by law, any unpaid interest thereon) shall be converted into a fee payable to the Bank (herein, the "Deferred Interest Fee Amount") and shall bear interest at a rate per annum equal to the Bank Interest Rate from time to time in effect payable on the next succeeding Interest Payment Date, or, if earlier, the date of the occurrence of an Immediate Termination Event.

Section 3.02 Payments.

(a) Place of Payment, Etc. Except to the extent otherwise provided in the Bond Order with respect to payments on Bank-Owned Bonds, all payments hereunder and under the Fee Letter shall be made to the Bank at the address of the Bank herein prior to 12:00 noon Eastern time on the date such payment is due. All amounts advanced, disbursed or transmitted hereunder and under the Fee Letter by the Bank other than amounts advanced by the Bank to purchase Bonds and which are returned to the Bank in immediately available funds prior to 5:00 p.m. (Eastern time) on the same day, shall constitute a loan hereunder and to the extent such amounts are not bearing interest at the Bank Interest Rate or as otherwise provided in Section 2.04(c) or 3.01, such amounts shall bear interest, payable by the County on demand, at a rate equal to the Default Rate from the date advanced, disbursed or transmitted until the date such amounts are paid to the Bank (but in any event for not less than one day). All interest payments shall be calculated on the basis of the actual number of calendar days elapsed and a 365-day year. The Facility Fee shall be computed on the basis of a 360-day year and actual days elapsed. All interest is payable monthly in arrears on each Interest Payment Date.

(b) Withholding. All payments to the Bank under this Agreement, the Fee Letter and the Bank-Owned Bonds shall be made in Dollars and in immediately available and freely transferable funds at the place of payment without counterclaim, set-off, condition or qualification, and free and clear of and without deduction or withholding for or by reason of any present or future taxes, levies, imposts, deductions or charges of any nature whatsoever. In the event that the County is compelled by law to make any such deduction or withholding, the County shall nevertheless pay to the Bank such amounts as will result in the receipt by the Bank of the sum it would have received had no such deduction or withholding been required to be made. If requested, the Bank or any Participant shall from time to time provide the County, the Registrar and Paying Agent and the United States Internal Revenue Service (to the extent such

information and forms may be lawfully provided by the Bank or such Participant) with such information and forms as may be required by Treasury Regulations Section 1.1411 or any other such information and forms as may be necessary to establish that the County is not subject to any withholding obligation under Section 1442 or other comparable provisions of the Code.

Section 3.03 Amortization/Redemption of Bank-Owned Bonds. The County shall redeem each Bond acquired by the Bank pursuant to this Agreement (other than Bank-Owned Bonds that a Bank-Owned Bondholder or Owner has elected to retain pursuant to Section 2.04(c)), within one hundred eighty (180) days of the date said Bond is acquired by the Bank pursuant to this Agreement (the "Short-Term Period"); provided, however, as long as no Potential Termination Event or Event of Termination has occurred and is continuing and all representations and warranties of the County set forth in Article IV are true and correct on the first to occur of (a) the expiration of the Short-Term Period and (b) the Stated Expiration Date, the County may amortize the repayment of said Bond over the Term Out Period, with substantially equal semi-annual principal payments commencing on the first day of the month that is six months after the beginning of the Term Out Period and continuing semi-annually thereafter, with a final payment of all remaining outstanding principal on the third anniversary of the date that the related advance hereunder was first made. Accrued interest shall be payable on said Bond at the Term Out Rate on the first day of each month, commencing on the month after the beginning of the Term Out Period. In addition, the County shall redeem any Bank-Owned Bonds (other than Bank-Owned Bonds that a Bank-Owned Bondholder or Owner has elected to retain pursuant to Section 2.04(c)) outstanding in full upon the occurrence of any of the events listed in clauses (iii) through (vi) of the definition of Bank Purchase Period. In the event that a Bond is not eligible to be amortized semi-annually in accordance with the provisions of this Section 3.03 during the Term Out Period, such Bonds will be due and payable immediately and will bear interest thereafter at the Default Rate. Any Bank Bond amortizing semi-annually in accordance with this Section 3.03 may be prepaid in whole or in part in denominations of not less than \$1,000,000 at any time upon three Business Days' notice to the Bank.

ARTICLE IV

REPRESENTATIONS AND WARRANTIES OF THE COUNTY

Section 4.01 Representations of the County. The County makes the following representations and warranties to the Bank as of the effective date of this Agreement and as of the effective date of any extension of the Stated Expiration Date (which representations and warranties shall survive the execution and delivery of this Agreement and any purchases of Eligible Bonds by the Bank):

(a) Existence and Authority. The County is a body politic and corporate and a political subdivision of the State of Maryland and has the necessary power and authority to execute and deliver this Agreement, the Fee Letter and the other Related Documents to which it is a party and to perform its obligations hereunder and thereunder.

(b) Authorization and Validity. The County's execution and delivery of this Agreement, the Fee Letter and the other Related Documents to which it is a party have been duly authorized by proper proceedings of the County, including the Authorizing Proceedings, and no further approval, authorization or consents are required by law or otherwise. This Agreement,

the Fee Letter and such other Related Documents, assuming proper execution and delivery of any other parties thereto, constitute the County's legal, valid and binding obligations enforceable in accordance with their respective terms.

(c) Compliance with Laws and Contracts. Neither the execution and delivery of this Agreement, the Fee Letter and the other Related Documents to which the County is a party, nor the consummation of the transactions herein and therein contemplated nor compliance with the provisions hereof or thereof will violate any law, rule, regulation, order, writ, judgment, injunction, decree or award binding on it, or the provisions of any indenture, material instrument or material agreement to which it is a party or is subject, or by which it or its property is bound, or conflict with or constitute a default under or result in the creation or imposition of any lien pursuant to the terms of any such indenture, instrument or agreement.

(d) Litigation. Except as disclosed in writing to the Bank, there is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending or, to the County's knowledge, threatened against or affecting the County (x) wherein an unfavorable decision, ruling or finding would materially adversely affect (i) the transactions contemplated by or the validity of the Authorizing Proceedings, this Agreement, the Fee Letter, any of the other Related Documents or any agreement or instrument to which it is a party and which is used or contemplated by this Agreement, the Fee Letter or the other Related Documents, or (ii) its ability to perform its obligations hereunder or under the Fee Letter or the other Related Documents; or (y) which in any way contests its powers or the titles of its officers to their respective offices.

(e) No Event of Termination. No Event of Termination or Potential Termination Event has occurred and is continuing.

(f) Bonds. Each Bond has been duly issued under the Authorizing Proceedings and is entitled to the benefits thereof. Bank-Owned Bonds acquired by the Bank pursuant to this Agreement will be transferred to the Bank free and clear of all liens, security interests or claims of any Person other than the Bank.

(g) Regulatory Approvals. On the date of the execution and delivery of this Agreement, each authorization, consent, approval, license or formal exemption from or filing, declaration or registration with, any court, governmental agency or regulatory authority (Federal or state), required in connection with the execution and delivery or adoption of, as the case may be, and the County's performance under the Authorizing Proceedings and the Related Documents to which it is a party or the issuance by the County of the Bonds in the manner and for the purpose contemplated by this Agreement, the Fee Letter and the other Related Documents, has been obtained or made and is in full force and effect; provided that no representation is made as to compliance with state "Blue Sky" or qualified investment laws.

(h) Financial Reports. The financial statements of the County for the Fiscal Year ended June 30, 2016 (including statements of financial positions, activities and cash flows for the Fiscal Year then ended and accompanying notes thereto), which financial statements are accompanied by the audit report of Clifton Gunderson LLP, heretofore furnished to the Bank, fairly present the financial condition of the County as at said dates and the results of its operations and cash flows for the Fiscal Year then ended in conformity with GAAP. As of the

date hereof, the County has no contingent liabilities which are material to it other than as indicated on such financial statements. Since the date of such audited financial statements, there have been no material adverse changes in the condition (financial or otherwise) or prospects of the County.

(i) Regulations U and X. The County is not engaged in the business of extending credit for the purpose of purchasing or carrying margin stock (within the meaning of Regulation U or X issued by the Board of Governors of the Federal Reserve System): and no proceeds of the Bonds will be used to extend credit to others for the purpose of purchasing or carrying any margin stock.

(j) Environmental Laws. The County has not received notice to the effect that its operations are not in compliance with any of the requirements of applicable federal, state or local environmental, health and safety statutes and regulations or are the subject of any governmental investigation evaluating whether any remedial action is needed to respond to a release of any toxic or hazardous waste or substance into the environment, which noncompliance or remedial action could have a material adverse effect on the financial condition, Property, business or operations of the County.

(k) Casualty. The County is not currently affected by any fire, explosion, accident, strike, lockout or other labor dispute, drought, storm, hail, earthquake, embargo, act of God or of the public enemy or other casualty (whether or not covered by insurance), materially and adversely affecting the Property or operations of the County.

(l) Other Documents. Each of the Related Documents is in full force and effect, and the County hereby makes to the Bank each of the representations and warranties made by the County therein as if set forth at length herein together with all applicable definitions thereto. No amendment, modification, termination or replacement of any such representations and warranties and definitions contained in any Related Document to which the County is a party shall be effective to amend, modify, terminate or replace said representations and warranties and definitions incorporated herein by this reference, without the prior written consent of the Bank, which consent shall not be unreasonably withheld,

(m) Information Provided by the County. All information, reports and other papers and data with respect to the County furnished to the Bank by or on behalf of the County were, at the time the same were so furnished, correct in all material respects. No fact is known to the County that materially and adversely affects or in the future may (so far as it can reasonably foresee) materially and adversely affect the security for any of the Bonds, or the ability of the County to repay when due the obligations of the County under this Agreement, the Fee Letter and the other Related Documents that has not been set forth in the financial statements and other documents referred to in this Section or in such information, reports, papers and data or otherwise disclosed in writing to the Bank. The documents furnished and statements made by the County in connection with the negotiation, preparation or execution of this Agreement, the Fee Letter and the Related Documents do not contain untrue statements of material facts or omit to state material facts necessary to make the statements contained therein, in light of the circumstances under which they were made, not misleading.

(n) No Maximum Rate. The interest rate payable on the Bank-Owned Bonds or the County's obligations to the Bank hereunder is not subject to any limitation under the laws or Constitution of the State of Maryland.

(o) Anti-Corruption Laws and Sanctions. Neither the County nor the officer executing this Agreement has received notice that (a) any member of the governing body of the County is not in compliance with Anti-Corruption Laws and applicable Sanctions in all material respects or (b) any of the County's officers or employees is a Sanctioned Person. No use of the Bond proceeds will violate Anti-Corruption Laws or applicable Sanctions.

(p) Patriot Act. Neither the purchase of the Bonds pursuant hereto nor the use of the proceeds thereof by the County will, to the knowledge of the officer of the County executing this Agreement, violate (a) the Patriot Act, (b) the Trading with the Enemy Act, as amended (50 U.S.C. §§ 1-44), or (c) any of the foreign assets control regulations of the United States Treasury Department (31 C.F.R., Subtitle B, Chapter V, as amended) or any enabling legislation or executive order relating thereto or successor statute thereto. The County is in compliance in all material respects with the Patriot Act.

ARTICLE V

COVENANTS OF THE COUNTY

Section 5.01 Covenants of the County. During the term of this Agreement, and until the obligations of the County to the Bank hereunder and under the Fee Letter are paid in full including full payment of the Bank-Owned Bonds, and the Bank has no further commitment hereunder, unless the Bank shall otherwise consent in writing, the County covenants and agrees as follows:

(a) Notice of Termination. Immediately after the County shall have obtained knowledge of the occurrence of an Event of Termination or Potential Termination Event, provide to the Bank the written statement of an authorized officer of the County setting forth the details of each such Event of Termination or Potential Termination Event and the action which the County proposes to take with respect thereto.

(b) Compliance With Laws. The County shall comply in all material respects with all laws, rules and regulations, and with all final orders, writs, judgments, injunctions, decrees or awards to which it may be subject the noncompliance with which could reasonably be expected to materially adversely affect the County's power and authority to execute this Agreement and the Fee Letter, to perform its obligations and pay all amounts payable by it hereunder and under the Fee Letter, or to execute and deliver the other Related Documents and to perform its obligations thereunder.

(c) Use of Proceeds. The County (i) shall cause the proceeds from purchases of Tendered Bonds made hereunder to be used solely to pay the Purchase Price of such Bonds as more fully described in Sections 2.01 and 2.02 and (ii) has used the proceeds of the Bonds for the purpose set forth in the Authorizing Proceedings.

(d) Related Obligations.

(1) The County shall not permit any amount payable by it hereunder or under any other Related Document according to the terms hereof or thereof to be in default unless such default is waived by the entity to whom the payment is due.

(2) The County shall use commercially reasonable efforts to cause the Registrar and Paying Agent and the Remarketing Agent at all times to comply with the terms of the Related Documents to which such Person is a party.

(e) Inspection Rights. At any reasonable time and from time to time after reasonable notice the County shall permit the Bank or any agents or representatives thereof, at the expense of the County following the occurrence and continuance of an Event of Termination, to examine and make copies of the records and books of account related to the transactions contemplated by this Agreement, to visit its properties and to discuss its affairs, finances and accounts with any of its officers and independent accountants.

(f) Amendments. The County shall not amend, modify, terminate or grant, or permit the amendment, modification, termination or grant of, any waiver under, or consent to, or knowingly permit or suffer to occur any action or omission which results in, or is equivalent to, an amendment, termination, modification or grant of a waiver under the Authorizing Proceedings relating to the Bonds or any of the Related Documents without the prior written consent of the Bank, which consent will not be unreasonably withheld.

(g) Optional Redemption. Without the prior written consent of the Bank, the County shall not optionally redeem any Bonds (other than Bank-Owned Bonds) issued under the Authorizing Proceedings prior to redeeming Bank-Owned Bonds in full or if, after giving effect to such redemption in full, there would be any unpaid Differential Interest Amount.

(h) Conversions. (i) The County shall promptly furnish, or cause to be furnished, to the Bank, not later than its furnishing the same to the Remarketing Agent a copy of any written notice furnished by the County to the Remarketing Agent pursuant to the Bond Order indicating a proposed conversion of the Bonds to a Mode other than the Daily Mode or the Weekly Mode, and (ii) the County shall not permit a conversion of the Bonds to a Mode other than the Daily Mode or the Weekly Mode without the prior written consent of the Bank if, after giving effect to such conversion, less than all of the Bank-Owned Bonds, if any, are remarketed or there would be any unpaid Differential Interest Amount, Deferred Interest or Deferred Interest Fee Amount or any other amounts payable to the Bank or any Bank-Owned Bondholder hereunder.

(i) Certain Notices. The County shall furnish to the Bank a copy of any notice, certification, demand or other writing or communication given by the County in connection with the Bonds or any of the Related Documents, in each case promptly after the receipt or giving of the same. The County shall give the Bank prompt notice of any action, suit or proceeding known to it at law or in equity or by or before any governmental instrumentality entity or other agency which, if adversely determined, would materially impair the ability of the County to carry out its obligations under this Agreement, the Fee Letter, the Bonds or any other document, instrument or agreement required hereunder or thereunder, or would materially and

adversely affect its assets or financial condition. The County shall promptly give written notice to the Bank of (i) any dispute in connection with any transaction contemplated under this Agreement or the Fee Letter, (ii) any matter or event which may result in a material adverse change in the County's ability to meet its obligations under this Agreement or the Fee Letter, (iii) any change in the location of the County's executive offices, (iv) any correspondence or other communications, delivered to or received by it from the Internal Revenue Service with respect to the Bonds, or (v) any notification delivered to or received by it with respect to a downgrade, withdrawal or suspension of the rating assigned by S&P, Moody's or Fitch to the Bonds or the County's senior secured Indebtedness (without regard to any credit enhancement thereof). The County, at the request of the Bank, shall provide copies of each request made by, and other information as and when provided to, the Registrar and Paying Agent and copies of any disclosure documents distributed in connection with the issuance of any obligations of the County.

(j) Liquidity.

(1) The County agrees to use commercially reasonable efforts to obtain an Alternate Liquidity Facility to replace this Agreement in the event (y) the Bank shall decide not to extend the Stated Expiration Date (such replacement to occur on or before the then current Stated Expiration Date), or (z) the Bank shall furnish a Notice of Termination pursuant to Section 7.02(b) to the Registrar and Paying Agent unless, in either event, the County has provided funds (which may be remarketing proceeds) for the purchase of all Bank-Owned Bonds at par plus accrued interest through the purchase date and notifies the Bank in writing of its decision not to provide an Alternate Liquidity Facility.

(2) The County agrees the County shall provide funds (which may be remarketing proceeds) on the date any Alternate Liquidity Facility becomes effective, for the purchase of all Bank-Owned Bonds at par plus accrued interest (at the Bank Interest Rate) through the purchase date. On the date the Alternate Liquidity Facility becomes effective or the County provides the funds required by clause (1) of this Section if no Alternate Liquidity Facility is to be provided, the County shall pay in full all other amounts due hereunder and under the Fee Letter (including, without limitation, any Differential Interest Amount, all Deferred Interest, the entire unpaid Deferred Interest Fee Amount and unpaid interest thereon).

(k) Appointment of Successors. The County shall not, without the prior written consent of the Bank, appoint a successor Registrar and Paying Agent or Remarketing Agent, which consent shall not be unreasonably withheld based solely on the qualifications of such successor.

(l) Incorporation of Certain Covenants. The covenants of the County set forth in the Related Documents are hereby incorporated by reference in this Agreement for the benefit of the Bank.

(m) Liens, Etc. The County shall not create or suffer to exist any lien upon or with respect to any of the funds or accounts created under the Authorizing Proceedings except those liens specifically permitted under the Authorizing Proceedings.

(n) Financial Information. The County shall provide to the Bank:

(1) As soon as available but no later than 275 days after the end of each Fiscal Year (provided the County shall use its best effort to provide within 180 days after the end of each Fiscal Year), (a) audited financial statements of the County for the most recent prior Fiscal Year prepared in accordance with GAAP (or describing any exceptions therefrom), (b) the most recent budget of the County, (c) any previously unreported information required to be provided by the County in accordance with the written undertaking of the County entered into in accordance with Rule 15c2.12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended, and (d) a certificate of the chief financial officer of the County stating that no Event of Termination or event which results, or which with the giving of notice or the lapse of time or both would result, in an Event of Termination has occurred hereunder and no "event of default" or event which results, or which with the giving of notice or the lapse of time or both would result, in an "event of default" under the Related Documents has occurred;

(2) Upon the request of the Bank, copies of any letter or report, including the annual management report, with respect to its management, operations or properties submitted to it by its accountants in connection with any annual or interim audit of the County's accounts; and

(3) Such other information respecting the operations and properties, financial or otherwise, of the County as the Bank may from time to time reasonably request.

(4) Notwithstanding anything herein, the information referenced in Section 5.01(n)(1)(a), (b) and (c) filed on EMMA will satisfy the requirements to provide such information set forth in such Section 5.01(n)(1)(a), (b) and (c).

(o) General Obligation. The County's obligation to pay the principal of and interest on Bank-Owned Bonds and to pay all other sums due hereunder are general obligations of the County and the full faith and credit of the County are pledged to the payment thereof.

(p) Interest on Bonds. The County shall not knowingly take any action or allow any action to be taken that is within its power and control, after the effective date of this Agreement, which would cause interest on the Bonds to be included in gross income of the recipient thereof for federal income tax purposes or the exclusion of such interest from the net taxable income for State of Maryland income tax purposes.

(q) Further Assurances. The County shall, upon the written request of the Bank, from time to time, execute and deliver and, if necessary, file, register and record such further financing statements, amendments, confirmation statements and other documents and instruments and take such further action as may be reasonably necessary to effectuate the provisions of this Agreement, the Fee Letter and the other Related Documents. Except to the extent it is exempt therefrom, the County will pay or cause to be paid all filing, registration and recording fees incident to such filing, registration and recording, and all expenses incident to the preparation, execution and acknowledgment of such instruments of further assurance, and all federal or state fees and other similar fees, duties, imposts, assessments and charges arising out of or in connection with the execution and delivery of this Agreement, the Fee Letter and the other Related Documents and such instruments of further assurance.

(r) Accounting Methods. The County will not adopt, permit or consent to any material change in accounting practices other than as required or permitted by GAAP.

(s) Bonds and Bank-Owned Bond Ratings. The County shall, at its expense, obtain and maintain from at least one of the Rating Agencies a public rating on the Bonds. At any time Bank-Owned Bonds are Outstanding, upon the request of the Bank, the County, at its expense, (i) shall obtain from at least one of the Rating Agencies then rating the Bonds, a rating specifically assigned to such Bank-Owned Bonds and (ii) shall ensure that the rating assigned to such Bank-Owned Bonds is available electronically to the Bank pursuant to a third party provider of such information.

(t) No Immunity. The County agrees that to the extent that the County has or hereafter may acquire under any applicable law any right to immunity from legal proceedings on the grounds of sovereignty, the County hereby irrevocably waives, to the extent permitted by law, such rights to immunity for itself in respect of its obligations arising under or related to this Agreement, the Fee Letter or the other Related Documents to which it is a party.

(u) Disclosure. The County shall not permit the marketing of Bonds pursuant to any offering, disclosure document or official statement unless the Bank shall have approved in writing the description of the Bank and this Agreement (provided that the Bank hereby gives its consent to the references to it in the Official Statement as in effect on the effective date of this Agreement). The County shall not make any changes in reference to the Bank in any offering, disclosure document or official statement without the Bank's prior written consent thereto.

(v) Remarketing Agent. The County shall at all times provide for the following: (i) the Remarketing Agent will use its best efforts to remarket the Bonds (including any Bank Bonds) up to the Maximum Bond Rate, (ii) the Remarketing Agent may not resign except upon 30 written days' written notice to the Bank, and (iii) if at any time the Remarketing Agent fails to remarket Bank Bonds for a period of 30 consecutive days or otherwise fails to perform its duties, the County shall, at the written request of the Bank, appoint a successor Remarketing Agent reasonably acceptable to the Bank.

(w) Patriot Act. The County, to the extent it is directly applicable and enforceable against the County, (i) will comply with all foreign and domestic laws, rules and regulations (including the Patriot Act, foreign exchange control regulations, foreign asset control regulations and other trade-related regulations) now or hereafter applicable to the this Agreement or the County's execution, delivery and performance of this Agreement; (ii) will maintain in effect and enforce policies and procedures designed to ensure compliance by the County and its respective officers, employees and agents with Anti-Corruption Laws and applicable Sanctions; (iii) shall not use, and shall procure that its officers, employees and agents shall not use, the proceeds of funds advanced pursuant to this Agreement (A) for any purpose other than those described herein, (B) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any Person in violation of any Anti-Corruption Laws, (C) for the purpose of funding, financing or facilitating any activities, business or transaction of or with any Sanctioned Person, or in any Sanctioned Country, in any manner that would result in the violation of any Sanctions by any party hereto.

ARTICLE VI

CONDITIONS PRECEDENT

Section 6.01 Conditions to Bank's Entering into Agreement. It shall be a condition precedent to the Bank's entering into this Agreement that all governmental and other proceedings taken in connection with the transactions contemplated hereby and all documents incident thereto, including the Related Documents, shall be in form and substance satisfactory to the Bank and that the conditions enumerated in this Section 6.01 have been fulfilled to the satisfaction of the Bank and its counsel. Delivery by the Bank of fully executed signature pages to this Agreement shall constitute acknowledgment and acceptance by the Bank that all such conditions have been met or waived.

(a) Representations. On the date of the execution and delivery of this Agreement: (i) there shall exist no Event of Termination or Potential Termination Event, (ii) all representations and warranties made by the County herein or in any of the other Related Documents to which it is a party shall be true and correct with the same effect as though such representations and warranties had been made at and as of such time, (iii) no material adverse change in the financial condition operations or prospects of the County shall have occurred since June 30, 2016, and (iv) no transaction or event shall have occurred and no change shall have occurred in the condition (financial or otherwise) or operations of the County between the date of the County's most recent audited financial statements and the effective date of this Agreement which materially adversely affects the security for the Bonds or the County's ability to repay when due its obligations under this Agreement, the Fee Letter and the other Related Documents.

(b) Supporting Documents. On or prior to the date of the execution and delivery of this Agreement, the Bank shall have received, in form and substance satisfactory to the Bank, the following:

(i) true and complete executed originals of this Agreement and the Fee Letter;

(ii) evidence of the County authorizing this Agreement and the Fee Letter;

(iii) signature and incumbency certificates, dated the date of the execution and delivery of this Agreement, of the signatures of the officers of the Registrar and Paying Agent and the County executing this Agreement and the Fee Letter;

(iv) a certificate of the County, dated the date of the execution and delivery of this Agreement, to the effect set forth in Section 6.01(a);

(v) executed legal opinion, dated the date of the execution and delivery of this Agreement, addressed to the Bank and in form and substance satisfactory to the Bank, of nationally recognized bond counsel covering such matters as the Bank may reasonably request; and

(vi) such other documents, instruments, approvals (and, if requested by the Bank, certified duplicates of executed copies thereof), assurances or opinions as the Bank may reasonably request.

(c) Certain Payments. On the date of the execution and delivery of this Agreement the County shall have paid the fees and expenses of counsel to the Bank as provided in Section 8.12.

(d) Ratings. The Bank shall have received satisfactory evidence that the County shall have been rated "Aaa" by Moody's, "AAA" by S&P and AAA by Fitch, and that the Bonds have been assigned a short term credit rating of "P-1" by Moody's, "A-1+" by S&P and F1+ by Fitch.

(e) CUSIP No. The Bank Bonds shall have been assigned a CUSIP number that is different from the Bonds that are not Bank Bonds.

ARTICLE VII

EVENTS OF TERMINATION; REMEDIES

Section 7.01 Events of Termination. Each of the following events shall constitute an "Event of Termination" hereunder:

(a) any interest due on the Bonds (including any Bank-Owned Bonds) is not paid when due; or any principal on the Bonds (including any Bank-Owned Bonds except as noted below) is not paid when due whether on any regularly scheduled interest payment date, at maturity, upon redemption or acceleration (excluding acceleration of any Bank-Owned Bonds), or otherwise;

(b) nonpayment of any other amounts payable by the County to the Bank when and as due hereunder or under the Fee Letter;

(c) a County Representative shall challenge the validity or enforceability of this Agreement or any of the other Related Documents (other than the Fee Letter and the Remarketing Agreement), or any Governmental Authority having jurisdiction shall find or rule that any material provision of this Agreement or any other Related Document with respect to payment of principal of or interest on the Bonds is not valid or binding on the County;

(d) a proceeding is instituted in a court having jurisdiction in the premises seeking an order for relief, rehabilitation, reorganization, conservation, liquidation or dissolution with respect to the County or for any substantial part of its Property under any applicable bankruptcy, insolvency or other similar law now or hereafter in effect, or for the appointment of a receiver, liquidator, assignee, custodian, trustee or sequestrator (or other similar official) and such proceeding is not terminated within ninety (90) days of commencement or such court enters an order granting the relief sought in such proceeding or the County shall institute or take any corporate action for the purpose of instituting any such proceeding, or the County shall admit in writing that it is insolvent or unable to pay its debts as they mature, or the County shall commence a voluntary case under any applicable bankruptcy, insolvency or other similar law

now or hereafter in effect, shall consent to the entry of an order for relief in an involuntary case under any such law or shall consent to the appointment of or taking possession by a receiver, liquidator, assignee, trustee, custodian or sequestrator (or other similar official) of the County or for any substantial part of its Property, or shall make a general assignment for the benefit of creditors, or shall fail to pay its Parity Debt as it becomes due, or shall take any corporate action in furtherance of any of the foregoing;

(e) (i) the County shall default in any payment of principal of or interest on any Indebtedness of the type described in clause (a), (b) or (e) of the definition of such term (other than defaults in the payment of accelerated principal of or interest on Bank-Owned Bonds and on any other bank bonds or pledged bonds arising from liquidity draws on letters of credit, standby bond purchase agreements or other similar evidences of indebtedness supporting such Indebtedness), or in the payment of any Guarantee of any such Indebtedness of another Person (other than a payment default resulting from the County's assertion of set-off, counterclaim, recoupment or other defense to payment under such Guarantee), which in either such case is *pari passu* in priority of payment as the Bonds ("Parity Debt"), beyond the period of grace, if any, provided in the instrument or agreement under which such Parity Debt was created, or a moratorium or debt restructuring which creates extraordinary restrictions on the payment of such Parity Debt shall have been declared or announced (whether or not in writing) by a County Representative with respect to any such Parity Debt or imposed on the County with respect to all such Parity Debt by any Governmental Authority having jurisdiction over the County as a result of a finding or ruling by such Governmental Authority; or (ii) as a result of a payment default relating to principal of or interest on any Parity Debt, the holder or holders of such Parity Debt or beneficiary or beneficiaries of such Parity Debt (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) are permitted, with the giving of notice if required, to cause such Parity Debt to become due prior to its stated maturity or such Parity Debt to become payable; or (iii) there occurs a default in the observance or performance of any other agreement, term or condition relating to any such Parity Debt or contained in any instrument or agreement evidencing, securing or relating thereto, or any other event shall occur or condition exist, the effect of which default or other event or condition is to cause, or to permit the holder or holders of such Parity Debt or beneficiary or beneficiaries of such Parity Debt (or a trustee or agent on behalf of such holder or holders or beneficiary or beneficiaries) to cause, with the giving of notice if required, such Parity Debt to become due prior to its stated maturity or such Parity Debt to become payable;

(f) any representation or warranty made by the County in this Agreement (or incorporated herein by reference) or in any of the other Related Documents or in any certificate, document, instrument, opinion or financial or other statement contemplated by or made or delivered pursuant to or in connection with this Agreement or with any of the other Related Documents, shall prove to have been incorrect, incomplete or misleading in any material respect when made;

(g) default in the due observance or performance by the County of any covenant set forth (or incorporated by reference) in Article V;

(h) default in the due observance or performance by the County of any other term, covenant or agreement set forth (or incorporated by reference) in this Agreement or the Fee Letter and the continuance of such default for thirty (30) days after the occurrence thereof;

(i) the occurrence of an "event of default" under any of the Related Documents (other than this Agreement);

(j) (i) any money judgment or judgments in an aggregate amount in excess of \$10,000,000 shall be entered or filed against the County and remain unpaid, unvacated, unbonded, uninsured or unstayed for a period sixty (60) days, or (ii) any writ or writs or warrant or warrants of attachment, or any similar process or processes in an aggregate amount in excess of \$10,000,000 shall be entered or filed against any of the County's Property and remain unpaid, unvacated, unbonded, uninsured or unstayed for a period sixty (60) days;

(k) a default shall occur and be continuing under any other agreement between the County and the Bank or under any other obligation owed by the County to the Bank;

(l) any long-term unenhanced rating assigned to the Bonds or any Parity Debt is lowered below "A-" (or its equivalent) by S&P, "A3" (or its equivalent) by Moody's or "A-" (or its equivalent) by Fitch; or

(m) any long-term unenhanced rating assigned to the Bonds or any Parity Debt shall be withdrawn or suspended for a credit-related reason or reduced below "BBB-" (or its equivalent), "BBB-" (or its equivalent) or "Baa3" (or its equivalent) by each of Fitch, S&P and Moody's to the extent each of such Ratings Agencies is then rating the Bonds or any such Parity Debt.

Section 7.02 Event of Termination Remedies. If any Event of Termination shall have occurred and be continuing:

(a) In the case of an Event of Termination specified in Section 7.01(a), (c), (d), (e)(i), (e)(ii), (j)(i) or (m) (each an "Immediate Termination Event"), the Available Commitment and the obligation of the Bank to purchase Bonds shall immediately terminate without prior notice or demand, and thereafter the Bank shall be under no obligation to purchase Bonds. Promptly after the Bank receives notice or otherwise becomes aware of the occurrence of an Immediate Termination Event, the Bank shall give written notice of the same to the County, the Registrar and Paying Agent and the Remarketing Agent, *provided* that the Bank shall incur no liability or responsibility whatsoever by reason of its failure to receive or give such notice and such failure shall in no way affect the termination of the Bank's Available Commitment and of its obligation to purchase Bonds pursuant to this Agreement.

(b) In the case of an Event of Termination other than as set forth in Section 7.02(a), the Bank may terminate the Available Commitment by giving written notice (a "Notice of Termination") to the County, the Registrar and Paying Agent and the Remarketing Agent, specifying the date on which the Available Commitment shall terminate (the "Termination Date"), which shall be not less than ten (10) days from the date of receipt of such notice by the Registrar and Paying Agent, and on and after the Termination Date the Bank shall be under no further obligation to purchase Bonds hereunder.

(c) Upon the occurrence and during the continuance of a Potential Termination Event described in Section 7.01(d), the obligation of the Bank to purchase Bonds hereunder shall be immediately and automatically suspended, without notice, and the Bank shall

be under no further obligation hereunder to purchase Bonds, until the bankruptcy, insolvency or similar proceeding referred to therein is terminated prior to the court entering an order granting the relief sought in such proceeding. In the event such proceeding is terminated, then the obligations of the Bank hereunder shall be automatically reinstated and the terms of the Agreement shall continue in full force and effect (unless the obligation of the Bank to purchase Bonds hereunder shall otherwise have terminated as provided in this Section 7.02) as if there had been no such suspension.

(d) In addition to the rights and remedies set forth in Section 7.02(a), (b) and (c), in the case of any Event of Termination specified in Section 7.01 upon the election of the Bank: (i) all amounts payable hereunder and under the Fee Letter not then due and payable shall immediately bear interest at the Default Rate and become immediately due and payable without presentment, demand, protest or further notice of any kind, all of which are hereby expressly waived by the County; and (ii) the Bank shall have all the rights and remedies available to it under this Agreement and the Related Documents and otherwise pursuant to law or equity.

(e) Certain Other Matters. No failure or delay on the part of the Bank in exercising any right, power or privilege hereunder and no course of dealing shall operate as a waiver thereof, nor shall any single or partial exercise of any right, power or privilege hereunder preclude any other or further exercise thereof or the exercise of any other right, power or privilege. The rights and remedies herein expressly provided are cumulative and not exclusive of any rights or remedies which the Bank would otherwise have. No notice to or demand on the County or any other Person hereto in any case shall entitle the County or such other Person to any other or further notice or demand in similar or other circumstances or constitute a waiver of the rights of the Bank to any other or further action in any circumstances without notice or demand.

ARTICLE VIII

MISCELLANEOUS

Section 8.01 Changes to Agreement. No provision of this Agreement or the Fee Letter may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the parties hereto; *provided* that the provisions of Sections 2.05 and 2.06, Articles III, IV, V, and VI and Sections 7.01 and 8.12 and any other provisions hereof that do not affect the rights or obligations of the Registrar and Paying Agent may be changed, waived, discharged or terminated, and the Stated Expiration Date may be extended in accordance with Section 8.06, by instruments in writing signed solely by the Bank and the County with written notice to the Registrar and Paying Agent; and *provided further* that the County shall (i) provide written notice to the Rating Agencies and post a notice on EMMA 10 days in advance of any effective change or waiver to Section 7.01 which would cause an Immediate Termination Event to occur as a result of such change or waiver, and (ii) obtain from each of S&P, Moody's and Fitch, if then rating the Bonds, confirmation in writing that such change or waiver shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Bonds as a condition to the effectiveness of such change or waiver. The Registrar and Paying Agent shall give notice to the Rating Agencies of any amendments to this Agreement of which it has written notice.

Section 8.02 Successors and Assigns. This Agreement shall be binding upon and inure to the benefit of and be enforceable by the respective successors and assigns of the parties hereto; *provided, however*, that none of the County, the Bank or the Registrar and Paying Agent may assign or transfer any of its rights or obligations hereunder without the prior written consent of the County and the Bank; and *provided further, however*, with respect to the Bank, no assignment shall occur and become effective until each of S&P, Moody's and Fitch, if then rating the Bonds, has confirmed in writing that such assignment shall not cause the lowering, withdrawal or suspension of any ratings then existing on the Bonds.

Section 8.03 Participations. The Bank shall have the right at any time to grant participations in all or part of its obligations hereunder and the obligations of the County hereunder to any other institutional purchaser (each a "Participant") without the consent of the County or any other Person; *provided, however*, that notwithstanding anything herein to the contrary, the Bank shall not grant participations in all or part of its obligations hereunder unless such participations are subject in all cases to the provisions of this Agreement (including, but not limited to, the obligation to sell the Bank-Owned Bonds to the Remarketing Agent or any purchaser obtained by the Remarketing Agent if the Remarketing Agent can remarket such Bonds); and *provided, further* that any such participation shall not relieve the Bank from any of its obligations under this Agreement and the County, the Registrar and Paying Agent and the Remarketing Agent may deal exclusively with the Bank for all purposes of this Agreement (including the making of all payments on Bank-Owned Bonds). The Bank may disclose to any Participant or prospective Participant any information or other data or material in the Bank's possession relating to this Agreement, the Fee Letter and any other Related Document and the County, without the consent of or notice to the County. Section 2.06 of this Agreement shall inure to the benefit of a Participant. No participation hereunder shall cause the County to incur obligations, costs or expenses greater than it would otherwise had to pay to the Bank if there had been no Participant. The Bank agrees to give the County notice before the granting of a participating interest as provided in this Section 8.03 and to include in such notice the name or names of the Participants; provided that the failure to give such notice shall not affect in any way the effectiveness of any participation hereunder.

Section 8.04 Governing Law. This Agreement and the Fee Letter shall be governed by and construed in accordance with the laws of the State of New York; *provided, however*, the power and authority of the County to execute, deliver and perform its obligations under this Agreement and the Fee Letter shall be governed by and construed in accordance with the laws of the State of Maryland.

Section 8.05 WAIVER OF JURY TRIAL. **TO THE EXTENT PERMITTED BY LAW, THE PARTIES HERETO HEREBY IRREVOCABLY AGREE TO WAIVE TRIAL BY JURY.**

Section 8.06 Extension of Bank Purchase Period. The Stated Expiration Date may be extended from time to time, at the request of the County (in the form of Exhibit C attached hereto) made no earlier than one hundred fifty (150) days and no later than one hundred twenty (120) days prior to the Stated Expiration Date (or such other time periods to which the Bank, in its sole and absolute discretion, may consent at the request of the County), by agreement in writing between the County and the Bank (the period from the preceding Stated Expiration Date to such new Stated Expiration Date being herein sometimes called the "Extended Bank Purchase

Period”). The Extended Bank Purchase Period may itself be extended in a like manner for additional periods. The Bank shall reply to the extension request from the County within sixty (60) days of receipt of the request, but the Bank has no obligation to agree to any Extended Bank Purchase Period. If the Bank, in its sole and absolute discretion, determines to extend any such period, the Bank shall give written notice of the election to extend to the County, the Registrar and Paying Agent and the Remarketing Agent at least sixty (60) days prior to the expiration of the then Stated Expiration Date. At the time of any extension, the Bank may, in its sole and absolute discretion, renegotiate terms and conditions of this Agreement, including the commitment fees and the Bank Interest Rate. Notwithstanding anything in this paragraph to the contrary, if the Bank fails to give notice of an election to extend, this Agreement shall expire at the end of the Bank Purchase Period or Extended Bank Purchase Period then in effect.

Section 8.07 Notice. Any notice, demand, direction, request or other instrument authorized or required by this Agreement to be given to or filed with the Registrar and Paying Agent, the Remarketing Agent, the Bank or the County, shall be deemed or have been sufficiently given or filed for all purposes, if any, when delivered by hand or when sent by registered mail, return receipt requested, postage prepaid:

If to the Bank:

U.S. Bank National Association
3 Bryant Park
1095 Avenue of the Americas
New York, New York 10036
Attention: James N. Beck
Facsimile: (917) 256-2830

If to the County:

Montgomery County, Maryland
101 Monroe Street, 15th Floor
Rockville, Maryland 20820
Attention: Director, Department of Finance
Facsimile: (240) 777-8857

If to the Registrar and Paying Agent:

U.S. Bank National Association
100 Wall Street
New York, New York 10006
Attention: Corporate Trust Services
Facsimile: (212) 509-3384

If to the Remarketing Agent:

J.P. Morgan Securities LLC
383 Madison Avenue, 8th Floor
New York, New York 10179
Attention: Peter McCarthy
Telephone: (212) 834-7224
Facsimile: (917) 456-3541
E-Mail: peter.mccarthy@jpmorgan.com
Public_Finance_Short_Term_Trading@jpmorgan.com

With Tender Notices copied to:

Tender_agent_MO@jpmorgan.com

Section 8.08 Obligations Absolute. The obligations of the County under this Agreement shall be absolute, unconditional and irrevocable, and shall be paid and performed strictly in accordance with the terms of this Agreement, under all circumstances whatsoever, including, without limitation, the following circumstances:

- (a) any lack of validity or enforceability of the Related Documents;
- (b) any amendment or waiver of or any consent to or departure from all or any of the Related Documents;
- (c) any exchange, release or non-perfection of any collateral or any release or amendment or waiver of or consent to departure from any guaranty and insurance documents;
- (d) the existence of any claim, set-off, defense, or other right which the County may have at any time against the Registrar and Paying Agent, the Remarketing Agent, the Bank (other than the defense of the payment to the Bank in accordance with the terms of this Agreement) or any other Person, whether in connection with this Agreement, the Related Documents or any unrelated transactions;
- (e) any certificate, notice or any other document presented under this Agreement proving to be forged, fraudulent, invalid or insufficient in any respect or any statement therein being untrue or inaccurate in any respect whatsoever; or
- (f) any other circumstance, or happening whatsoever, whether or not similar to any of the foregoing.

Section 8.09 Holidays. Except as otherwise provided herein, whenever any payment or action to be made or taken hereunder shall be stated to be due on a day which is not a Business Day, such payment or action shall be made or taken on the next following Business Day, and such extension of time shall be included in computing interest or fees, if any, in connection with such payment or action.

Section 8.10 Survival. All representations, warranties, covenants and agreements of the County contained in this Agreement as amended or supplemented from time to time or made in writing in connection herewith shall survive the execution and delivery hereof and the purchase of Bonds by the Bank hereunder and shall continue in full force and effect until payment in full of all payment obligations of the County hereunder, it being understood that the agreements of the County found in Sections 2.06, 3.02(b), 8.08 and 8.12 shall survive the termination of this Agreement and payment in full of such obligations.

Section 8.11 Liability of the Bank. The County and the Registrar and Paying Agent agree that the Bank shall have no liability or responsibility for the acts or omissions of each of the Registrar and Paying Agent and Remarketing Agent in respect of its use of this Agreement or any amounts made available by the Bank hereunder. The Bank shall have no responsibility for, nor incur any liability in respect of, any act, or any failure to act, by the Registrar and Paying Agent which results in the failure of the Registrar and Paying Agent to effect the purchase of Tendered Bonds for the account of the Bank with funds provided by the Bank pursuant to Section 2.02 or to comply with the applicable provisions of the Bond Order. Neither the Bank nor any of its directors, officers or employees shall be liable or responsible for: (a) the use which may be made of this Agreement or any amounts made available by the Bank hereunder or for any acts or omissions of the Registrar and Paying Agent or the Remarketing Agent in connection therewith; (b) the validity, sufficiency or genuineness of documents, or of any endorsement(s) thereon even if such documents should in fact prove to be in any or all respect invalid, insufficient, fraudulent or forged; or (c) any other circumstances whatsoever in making or failing to make payment under this Agreement, other than, in the case of the Bank, the Bank's gross negligence or willful failure to purchase Tendered Bonds when required under the terms and conditions of this Agreement. The Bank shall have no responsibility for the use or absence of use of the Official Statement by any Person. In no event shall the Bank be liable to any Person for consequential damages, including, without limitation, such damages suffered by reason of the Bank's failure to purchase Tendered Bonds when required under the terms and conditions of this Agreement.

Section 8.12 Certain Costs. The County shall reimburse the Bank for any and all claims, damages, losses, liabilities, costs or expenses whatsoever which the Bank may incur (or which may be claimed against the Bank by any Person) by reason of or in connection with the execution, delivery and performance of this Agreement and the Fee Letter (up to the agreed upon maximum amount for its counsel through the date of issuance of the Bonds) and its reasonable costs and disbursements thereafter, including reasonable costs and disbursements of its counsel in connection with amendments to or waivers of the terms of this Agreement and the Fee Letter or revisions to the Official Statement, if any; and provided that the Bank shall not be so reimbursed for any claims, damages, losses, liabilities, costs or expenses to the extent, but only to the extent, caused by the gross negligence or willful misconduct of the Bank in connection with the Bank's execution, delivery or performance of this Agreement and the Fee Letter. The Bank agrees to notify the County in writing promptly of all claims against the Bank for which it may seek reimbursement pursuant to this Section; provided that failure to give such notice shall not relieve the County from any liability to the Bank hereunder. In no event shall the County be liable under this Section for any indirect, special or consequential damages suffered by the Bank. No provision of this Section shall be construed to benefit any third party other than successors or assigns of the Bank. This Section is subject to the notice requirements and damage limitations

stated in the Local Government Tort Claims Act, Md. Code Ann., Cts & Jud. Proc. Sec. 5-301, et seq. (2006 Repl. Vol.); Md. Code Ann. Art. 25A, Sec. 1A (2005 Repl. Vol.); and Md. Code Ann., Cts. & Jud. Proc. Sec. 5-509 (2006 Repl. Vol.), each as amended from time to time. The reimbursement rights of the Bank under this Agreement and the Fee Letter shall survive the termination of this Agreement and the Fee Letter and/or the payment of any obligations hereunder by the County.

Section 8.13 Counterparts. This Agreement and the Fee Letter may be executed in two or more counterparts, each of which shall constitute an original but both of which, when taken together shall constitute one and the same instrument.

Section 8.14 No Advisory or Fiduciary Relationship. In connection with all aspects of the transactions contemplated hereby (including in connection with any amendment, waiver or other modification hereof or of any other Financing Documents), the County acknowledges and agrees that: (i) (A) the services, if any, regarding this Agreement provided by the Bank are arm's-length commercial transactions between the County and the Bank, on the one hand, and the County, on the other hand, (B) the County has consulted its own legal, accounting, regulatory and tax advisors to the extent it has deemed appropriate, and (C) the County is capable of evaluating, and understands and accepts, the terms, risks and conditions of the transactions contemplated hereby and by the other Financing Documents; (ii) (A) the Bank is and has been acting solely as a principal and has not been, is not, and will not be acting as an advisor, including, without limitation, as a "Municipal Advisor" as such term is defined in Section 15B of the Securities Exchange Act of 1934, as amended, and the related final rules (the "comply"), agent or fiduciary for the County or any other person, (B) the Bank is relying on the bank exemption in the Municipal Advisor Rules, and (C) the Bank has no obligation to the County with respect to the transactions, except those obligations expressly set forth herein and the other Related Documents; and (iii) the Bank may be engaged in a broad range of transactions that involve interests that differ from those of the County, and the Bank has no obligation to disclose any of such interests to the County. To the fullest extent permitted by applicable law, the County hereby waives and releases any claims that it may have against the Bank with respect to any breach or alleged breach of agency or fiduciary duty in connection with any aspect of any transaction contemplated hereby.

[Signature page immediately follows.]

IN WITNESS WHEREOF, the parties hereto, by their officers thereunto duly authorized, have executed and delivered this Agreement, effective as of the day and year first above written.

U.S. BANK NATIONAL ASSOCIATION,
as Registrar and Paying Agent


By: _____

Name: Beverly Freney

Title: Vice President

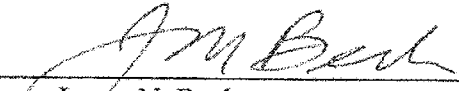
The execution page is part of the Standby Bond Purchase Agreement dated as of December 1, 2017 among U.S. Bank National Association., as Registrar and Paying Agent, Montgomery County, Maryland, as County, and U.S. Bank National Association, as Bank.

MONTGOMERY COUNTY, MARYLAND,
as County

By: 
Alexandre A. Espinosa
Director of Finance

The execution page is part of the Standby Bond Purchase Agreement dated as of December 1, 2017 among U.S. Bank National Association, as Registrar and Paying Agent, Montgomery County, Maryland, as County, and U.S. Bank National Association, as Bank.

U.S. BANK NATIONAL ASSOCIATION,
as Bank

By: 
Name: James N. Beck
Title: Vice President

The execution page is part of the Standby Bond Purchase Agreement dated as of December 1, 2017 among U.S. Bank National Association, as Registrar and Paying Agent, Montgomery County, Maryland, as County, and U.S. Bank National Association, as Bank.

NOTICE OF BANK PURCHASE
(Liquidity Purchase)

The undersigned, a duly authorized officer of U.S. Bank National Association, as Paying Agent (the "Paying Agent"), hereby certifies to U.S. Bank National Association (the "Bank"), in accordance with the Standby Bond Purchase Agreement dated as of December 1, 2017 (the "Standby Purchase Agreement") among the County, the Registrar, the Paying Agent and the Bank (all capitalized terms herein having the meanings given them in the Standby Purchase Agreement), that:

1. Notice of tender of Eligible Bonds for purchase pursuant to Section 4.01 of the Bond Order has been received.

2. Insufficient money is available for such purchase pursuant to Section 4.07 of the Bond Order.

3. [(a)] The total principal amount of the Eligible Bonds for which there is not sufficient moneys referred to above is \$ _____, which amount does not exceed the Available Principal Commitment.

[(b) Accrued, but unpaid, interest on such Eligible Bonds (other than Defaulted Interest), computed in accordance with the terms of the Bonds and the Bond Order, as of the date of delivery hereof to the Bank is \$ _____, which amount does not exceed the Available Interest Commitment.]¹

4. The Eligible Bonds referred to above are hereby tendered to the Bank for purchase pursuant to the Standby Purchase Agreement on the date hereof for an aggregate purchase price of \$ _____,² which amount does not exceed the Available Commitment.

5. Upon completion of such purchase, the Registrar will [register such Bonds, or if a Bond for which notice of tender for purchase pursuant to Section 4.01 of the Bond Order has been given is not delivered, to issue a new Bond in replacement of the undelivered Bond, in the name of the Bank, or if directed in writing by the Bank, its nominee or designee on the Bond Register] [cause the beneficial ownership of such Bonds to be credited to the account of the Bank, or if directed in writing by the Bank, its nominee or designee with the Depository and register such Bonds in the name of the Bank, or its nominee or designee on the Bond register] [, and will promptly deliver such Bonds to the Custodian or as the Bank may otherwise direct in writing, and prior to such delivery, will hold such Bonds in trust for the benefit of the Bank].

6. The Bank Purchase Date is _____, _____ and the wire instructions for payment of the Purchase Price are as follows: [insert payment instructions].

¹ If the Bonds are to be purchased on an Interest Payment Date therefor, this amount will exclude the interest payable on such date. If the exclusion results in no interest, delete (b).

² Insert the sum of principal and accrued interest shown in paragraphs 3(a) and (b).

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this certificate
as of the _____ day of _____, ____.

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By: _____

Name: _____

Title: _____

NOTICE OF BANK PURCHASE
(Mandatory Purchase)

The undersigned, a duly authorized officer of U.S. Bank National Association, as Paying Agent (the "Paying Agent"), hereby certifies to U.S. Bank National Association (the "Bank"), in accordance with the Standby Bond Purchase Agreement dated as of December 1, 2017 (the "Standby Purchase Agreement") among the County, the Registrar, the Paying Agent and the Bank (all capitalized terms herein having the meanings given them in the Standby Purchase Agreement), that:

1. Eligible Bonds have been tendered or deemed tendered for mandatory purchase pursuant to Section [4.03] [4.05] of the Bond Order in connection with the occurrence of [Mode Change Date] [Mandatory Purchase Date Established by the County] [Substitution of Liquidity Facility] [Expiration of Liquidity Facility] [Termination of Liquidity Facility].

2. Insufficient moneys are available for such purchase pursuant to Section 4.07 of the Bond Order.

3. [(a)] The total principal amount of the Eligible Bonds referred to above is \$_____, which amount does not exceed the Available Principal Commitment.

[(b) Accrued, but unpaid interest on such Eligible Bonds (other than Defaulted Interest), computed in accordance with the terms of the Bonds and the Bond Order, as of the date of delivery hereof to the Bank is \$_____, which amount does not exceed the Available Interest Commitment.]³

4. The Eligible Bonds referred to above are being delivered to the Bank for purchase pursuant to the Standby Purchase Agreement on the date hereof for an aggregate purchase price of \$_____,⁴ which amount does not exceed the Available Commitment.

5. Upon completion of such purchase, the Registrar will [register such Bonds, or if a Bond for which notice of tender for purchase pursuant to Section [4.03] [4.05] of the Bond Order has been given is not delivered, to issue a new Bond in replacement of the undelivered Bond, in the name of the Bank, or if directed in writing by the Bank, its nominee or designee on the Bond Register] [cause the beneficial ownership of such Bonds to be credited to the account of the Bank, or if directed in writing by the Bank, its nominee or designee with the Depository and register such Bonds in the name of the Bank, or its nominee or designee on the Bond register] [, and will promptly deliver such Bonds to the Custodian or as the Bank may otherwise direct in writing, and prior to such delivery, will hold such Bonds in trust for the benefit of the Bank].

³ If the Bonds are to be purchased on an Interest Payment Date therefor, this amount will exclude the interest payable on such date. If exclusion results in no interest, delete (b).

⁴ Insert the sum of principal and accrued interest shown in paragraphs 3(a) and (b).

6. The Bank Purchase Date is and the wire instructions for payment of the Purchase Price are as follows: [insert payment instructions].

IN WITNESS WHEREOF, the Paying Agent has executed and delivered this certificate as of the ____ day of _____, ____.

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By: _____
Name: _____
Title: _____

EXHIBIT C

FORM OF REQUEST FOR EXTENSION OF STATED EXPIRATION DATE

[DATE]

U.S. Bank National Association
3 Bryant Park
1095 Avenue of the Americas
New York, New York 10036
Attention: James N. Beck

Re: Request for Extension of Stated Expiration Date

Ladies and Gentlemen:

Reference is hereby made to that Standby Bond Purchase Agreement dated as of December 1, 2017 (the "Agreement") among Montgomery County, Maryland (the "County"), U.S. Bank National Association, as Registrar and as Paying Agent, and U.S. Bank National Association (the "Bank"). All capitalized terms contained herein which are not specifically defined shall be deemed to have the definitions set forth in the Agreement. The County hereby requests, pursuant to Section 8.06 of the Agreement, that the Stated Expiration Date for the Bank Purchase Period be extended by [IDENTIFY APPROPRIATE PERIOD]. Pursuant to Section 8.06 of the Agreement, we have enclosed along with this request the following information:

1. The outstanding principal amount of the Bonds;
2. The nature of any and all Events of Termination and all Potential Termination Events; and
3. Any other pertinent information previously requested by the Bank.

The Bank is required to notify in writing the Registrar, the Paying Agent, the County and the Remarketing Agent of the Bank's decision with respect to this request for extension no less than sixty (60) days prior to the expiration of the then Stated Expiration Date. If the Bank fails to notify in writing such parties of the Bank's decision on or prior to such sixtieth day (60th) prior to the then Stated Expiration Date, the Bank shall be deemed to have rejected such request.

Very truly yours,

MONTGOMERY COUNTY, MARYLAND

U.S. BANK NATIONAL ASSOCIATION,
as Paying Agent

By: _____
Name: _____
Title: _____



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Authorizing the issuance of Consolidated Public Improvement Variable Rate Bonds of 2017, Series E and prescribing certain other matters in connection therewith.	Executive Order No. 191-17	Subject Suffix
Department Department of Finance	Department No. B362-17	Effective Date 12/19/17

EXHIBIT B

FORM OF REMARKETING AGREEMENT

REMARKETING AGREEMENT

THIS REMARKETING AGREEMENT, dated as of December 19, 2017 (the "Remarketing Agreement"), between **MONTGOMERY COUNTY, MARYLAND**, a body politic and corporate and a political subdivision of the State of Maryland (the "County"), and **J.P. MORGAN SECURITIES LLC** ("J.P. Morgan" or the "Remarketing Agent"),

WITNESSETH:

WHEREAS, the County has issued its General Obligation Bonds, Consolidated Public Improvement Variable Rate Bonds of 2017, Series E (the "Bonds"), in the aggregate principal amount of \$170,000,000; and

WHEREAS, the Bonds will be general obligations of the County to which its full faith and credit and unlimited taxing power are irrevocably pledged; and

WHEREAS, the principal of and interest on the Bonds, and the purchase price of Bonds that are required to be purchased and for which US Bank Trust, National Association, a national banking association, in its capacities as Registrar and Paying Agent under the Bond Order (together with any successor thereto, the "Registrar and Paying Agent") does not timely receive proceeds of remarketing, are payable from amounts to be drawn by the Registrar and Paying Agent under a standby bond purchase agreement (the "Liquidity Facility") issued by U.S. Bank National Association (the "Liquidity Facility Provider") in favor of the Registrar and Paying Agent; and

WHEREAS, the Bond Order provides that, unless the County elects to convert the Bonds to a Fixed Rate Mode, the Bonds shall bear interest at a rate determined daily (while in the Daily Mode), weekly (while in the Weekly Mode) and from time to time (while in the Commercial Paper Mode and the Term Rate Mode); and

WHEREAS, the Bond Order provides that so long as the Bonds bear interest at a Daily Rate, Weekly Rate, Commercial Paper Rate or Term Rate, the Bonds or Beneficial Interests therein will be subject to optional and/or mandatory tender by the registered owners or Beneficial Owners thereof for purchase by the Registrar and Paying Agent on the purchase dates (the "Tender Dates") established in accordance with the Bond Order; and

WHEREAS, the Remarketing Agent has been appointed by the County as remarketing agent pursuant to the Bond Order to use its best efforts to remarket Bonds or Beneficial Interests therein tendered for purchase, and to determine the rates borne by the Bonds; and

WHEREAS, the Remarketing Agent is willing to use its best efforts to remarket the Bonds and Beneficial Interests therein so tendered upon the terms and subject to the conditions contained herein and in the Bond Order and to determine, interest rates as provided in the Bond Order;

NOW, THEREFORE, in consideration of the promises and the mutual covenants hereinafter contained the parties hereto hereby agree as follows:

1. Definitions. All capitalized terms used herein and not defined herein shall have the meanings given to them in the Bond Order unless the context clearly indicates otherwise, except for the following terms, which shall have the meanings set forth below:

"1933 Act" shall mean the Securities Act of 1933, as amended.

"1934 Act" shall mean the Securities Exchange Act of 1934, as amended.

"1939 Act" shall mean the Trust Indenture Act of 1939, as amended.

"Beneficial Interest" shall mean the interest of a Beneficial Owner in a Bond registered in the name of a nominee of The Depository Trust Company.

"Beneficial Owner" shall have the meaning assigned to such term in the Bond Order.

"Bond Purchase Agreement" shall mean the Bond Purchase Agreement dated December 19, 2017 between the County and J.P. Morgan Securities LLC, as underwriter, relating to the Bonds.

"Electronic Means" shall have the meaning provided to such term in the Bond Order.

"Official Statement" shall mean the Official Statement used in connection with the sale and remarketing of the Bonds, as the same may be amended or supplemented.

"Bond Order" means Executive Order No. 175-17 and Department No. B361-17, dated December 19, 2017 relating to the issuance of the Bonds, as amended and supplemented from time to time.

"Registrar and Paying Agent" shall have the meaning assigned to such term in the recitals of this Remarketing Agreement.

"Remarketing Materials" shall mean the Remarketing Materials as defined in Section 8 of this Remarketing Agreement.

"SEC" means the U.S. Securities and Exchange Commission.

2. Representations and Covenants of the County. The County hereby represents to the Remarketing Agent as follows:

(a) *Incorporation by Reference.* The representations and warranties made by the County in the Bond Purchase Agreement and the Liquidity Facility are true and correct on and as of the date hereof and are hereby made to the Remarketing Agent on and as of the date hereof as if set forth herein at length.

(b) *Official Statement.* The County approves the Official Statement and authorizes and consents to the use by the Remarketing Agent of the Official Statement in

connection with the remarketing of the Bonds. All disclosure material, including, without limitation, preliminary and final official statements, reoffering documents, and supplements, amendments and updates to any thereof, furnished by the County and used by the Remarketing Agent (including amendments, supplements and replacements thereof), until such time as they shall have been subsequently amended, updated or replaced, do not and shall not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(c) *EMMA Filings and Other Information.* The County agrees that its filings with the Municipal Securities Rulemaking Board's (the "MSRB") Electronic Municipal Market Access system ("EMMA") made in connection with the Bonds as it relates to the financial condition of the County will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading. The information contained herein and in every certificate, notice or other written information furnished by the County in connection with this Remarketing Agreement and the issuance, sale, and remarketing of the Bonds, including the County's filings with EMMA made in connection with the Bonds, is true and correct in all material respects and does not and will not contain an untrue statement of a material fact or omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(d) *No Material Adverse Proceeding.* There is no action, suit, proceeding, inquiry or investigation at law or in equity or before or by any court, public board or body pending to which the County is a party or as to which any property of the County is subject or, to the knowledge of the County, threatened against the County, the outcome of which could have a material adverse effect on the consummation of the transactions contemplated by this Remarketing Agreement or could have a material adverse effect on the validity or enforceability of the Bonds, the Bond Order, or this Remarketing Agreement or which could materially adversely affect the County which is not described in the Official Statement.

(e) *Enforceability of Remarketing Agreement.* This Remarketing Agreement has been duly authorized by the County and, assuming proper authorization, execution and delivery by the Remarketing Agent, constitutes the legal, valid, and binding obligation of the County, enforceable in accordance with its terms, except as such enforceability may be limited by bankruptcy or other laws affecting the enforcement of creditors' rights generally or by general equitable principles.

(f) *Qualification under Blue Sky Laws.* The County shall cooperate with the Remarketing Agent in any reasonable endeavor to qualify the Bonds for offering and sale under the securities or "Blue Sky" laws of such jurisdictions of the United States as the Remarketing Agent may request; and the County will furnish such information, execute such instruments and take such other action in cooperation with the Remarketing Agent as the Remarketing Agent may reasonably request in connection therewith and the County will promptly pay, or reimburse if paid by the Remarketing Agent, provided the Remarketing Agent has provided the County with an estimate of such cost and the County has given approval, upon 45 days' written notice and receipt of an invoice therefor, all reasonable fees and disbursements of counsel for the

Remarketing Agent and all other expenses and filing fees in connection therewith; provided, however, that the County shall not be required to register as a dealer or a broker in any such state or jurisdiction or make any additional representations or warranties in connection with the sale of securities, or to subject itself to service of process in any state or jurisdiction in which it is not already so subject.

(g) *Notices of Document Changes.* The County shall give the Remarketing Agent written notice of any amendment, modification or supplement to the Bond Order or the Liquidity Facility.

(h) *Notice of Changes in Condition and Defaults.* The County will promptly notify the Remarketing Agent by Electronic Means of any material adverse changes that may affect the remarketing of the Bonds or an event of default under the Bond Order or the Liquidity Facility.

(i) *Rule G-34 Documents.* The County hereby authorizes and consents to the delivery to the MSRB pursuant to MSRB Rule G-34(c) by the Remarketing Agent of the documents described on Annex A hereto and any other transaction documents (including, without limitation, any executed amendments, extensions, related changes thereto or any substitution liquidity facilities) that establish an obligation to provide liquidity with respect to the Bonds (all such documents, "Rule G-34 Documents").

(j) *Confidential Information.* The County further agrees that the Remarketing Agent shall have no responsibility and holds the Remarketing Agent harmless with respect to identifying and/or redacting any confidential or proprietary information in the Rule G-34 Documents. If the County determines that any information in the Rule G-34 Documents is confidential or proprietary, the County shall discuss such information and the potential redaction thereof with the Remarketing Agent to ensure compliance with Rule G-34(c).

(k) *Continuing Disclosure Documents.* During any period of time the County is subject to a continuing disclosure undertaking in connection with the Bonds or to enable the underwriters to comply with Rule 15c2-12 promulgated pursuant to the Securities Exchange Act of 1934, as amended (17 C.F.R. Sec. 240-15c2-12), or any successor or similar legal requirement, with respect to the Bonds or otherwise, immediately following any dissemination, distribution or provision thereof to any Person, the County agrees to (1) provide the Remarketing Agent with a copy of any report, financial statements or reportable event notice disseminated, distributed or provided in satisfaction of or as may be required pursuant to such undertaking or (2) provide the Remarketing Agent with notice that such information has been filed with EMMA and is publicly available.

(l) *Additional Information.* The County shall provide the Remarketing Agent with any additional information that it may reasonably request.

3. Representations of the Remarketing Agent. The Remarketing Agent hereby represents and covenants to the County that the Remarketing Agent has been duly organized and is validly existing as a Delaware limited liability company and has full power and authority to enter into and perform this Remarketing Agreement. This Remarketing Agreement constitutes

the legal, valid and binding obligation of the Remarketing Agent enforceable against the Remarketing Agent in accordance with its terms, except as the enforcement thereof may be limited by applicable bankruptcy, insolvency, reorganization, moratorium or other laws relating to or affecting the enforcement of creditors' rights generally now existing or hereafter enacted and by the application of general principles of equity including equitable subordination.

4. Acceptance of Duties of the Remarketing Agent. The execution and delivery by the Remarketing Agent of this Remarketing Agreement shall constitute the acceptance by the Remarketing Agent of its duties and obligations under the Bond Order. The Remarketing Agent shall perform such duties and obligations imposed upon it as remarketing agent under the Bond Order. The County and the Remarketing Agent agree that, unless this Remarketing Agreement has been previously terminated pursuant to the terms hereof, the Remarketing Agent shall act as exclusive remarketing agent with respect to the Bonds on the terms and conditions herein contained at all times.

5. Conditions Precedent to the Obligations of the Remarketing Agent to Remarket Bonds. The obligations of the Remarketing Agent to offer for sale and to use its best efforts to sell any Bonds or Beneficial Interests in the Bonds hereunder shall be subject to the accuracy in all material respects of the representations and warranties of the County contained herein as of the date hereof and on the Tender Dates, to the performance by the County of its obligations hereunder and to the following conditions:

(a) *Credit Agreements Remain in Effect.* On the Tender Dates, this Remarketing Agreement, the Bond Order and the Liquidity Facility shall be in full force and effect (and, in the case of the Liquidity Facility, the Liquidity Facility Provider shall not have failed to pay in respect of a draw request presented in accordance with the terms of the Liquidity Facility) and shall not have been amended, modified or supplemented since the date hereof, except for any amendment, modification or supplement made in accordance with their terms and of which the Remarketing Agent has received written notice prior to the Tender Date.

(b) *No Event of Default.* No event of default under the Bond Order shall have occurred and be continuing.

(c) *No Adverse Tax Events.* No adverse tax events with respect to the Bonds shall have occurred.

(d) *Optional Tender not Pre-empted.* The Bonds or Beneficial Interests in the Bonds that have been tendered for purchase and would otherwise be subject to remarketing on the Tender Date shall not have been called for redemption or mandatory tender pursuant to the Bond Order unless the remarketing of such Bonds or Beneficial Interests would be permitted under the Bond Order.

(e) *No Adverse Marketing Event.* None of the following events shall have occurred and be continuing:

(1) *Adverse Tax Proposals.* Legislation shall be favorably reported by a committee of the House of Representatives or the Senate of the Congress of the United States or be introduced by committee, by amendment or otherwise, in, or be enacted by,

the House of Representatives or the Senate, or be recommended by committee to the Congress of the United States for signature by the President of the United States, or a decision by a court established under Article III of the Constitution of the United States shall be rendered or a ruling, regulation or order of the Treasury Department of the United States of the Internal Revenue Service shall be made or proposed having the purpose or effect of imposing federal income taxation, or any other event shall have occurred which results in the imposition of federal income taxation upon interest received on the Bonds, or any part thereof which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Bonds;

(2) *Adverse Securities Law Proposals.* Legislation shall be introduced by committee, by amendment or otherwise, in, or be enacted by, the House of Representatives or the Senate of the Congress of the United States, or a decision by a court of the United States shall be rendered, or a stop order, ruling, regulation or official statement by, or on behalf of, the SEC or other governmental agency having jurisdiction of the subject matter shall be made or proposed, to the effect that the offering or sale of obligations of the general character of the Bonds, as contemplated hereby, is or would be in violation of any provision of the 1933 Act as then in effect, or the 1934 Act as then in effect, or the 1939 Act as then in effect, or with the purpose or effect of otherwise prohibiting the offering or sale of obligations of the general character of the Bonds, or the Bonds, as contemplated hereby which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Bonds;

(3) *Inaccurate or Incomplete Offering Materials.* Any information shall have become known, which, at any time, in the Remarketing Agent's reasonable opinion, makes untrue or misleading in any material respect any statement or information contained in the current Official Statement or Remarketing Materials relating to the Bonds, as the information contained therein has been supplemented or amended by other information, or causes such Official Statement or Remarketing Materials, as so supplemented or amended, to contain an untrue statement of a material fact or to omit to state a material fact necessary to make the statements made therein, in light of the circumstances under which they were made, not misleading.

(4) *Other Material Adverse Legislation.* Except as provided in clauses (1) and (2) hereof, any legislation, resolution, ordinance, rule or regulation shall be introduced in, or be enacted by any federal governmental body, department or agency of the United States or the State of Maryland, or a decision by any court of competent jurisdiction with the United States or the State of Maryland shall be rendered which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Bonds;

(5) *Material Trading Restrictions.* Additional material restrictions not in force as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange;

(6) *Other Material Restrictions.* Any governmental authority shall impose, as to the Bonds, or obligations of the general character of the Bonds, any

material restrictions not now in force, or increase materially those now in force which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Bonds;

(7) *Banking Moratorium.* A general banking moratorium shall have been established by federal, New York or Maryland authorities;

(8) *Material Adverse Rating Development.* Any rating of the Bonds shall have been suspended, withdrawn or downgraded below the ratings (or equivalent rating category) assigned to the Bonds on the effective date of this Remarketing Agreement by a national rating service, which suspension, withdrawal or downgrading, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Bonds;

(9) *Material Adverse Hostilities or Emergency.* A war involving the United States shall have been declared, or any existing conflict involving the armed forces of the United States shall have escalated, or any other national emergency relating to the effective operation of government or the financial community shall have occurred, which, in the Remarketing Agent's reasonable opinion, materially adversely affects the marketability of the Bonds; or

(10) *Other Material Adverse County Event.* An event, including without limitation, the bankruptcy or default of the County shall have occurred, which, in the Remarketing Agent's reasonable opinion, materially adversely affects the securities of the general character of the Bonds.

6. Remarketing of the Bonds on a Mode Change Date. At the request of the County, notice of such request having been received by the Remarketing Agent at least 45 days prior to the Conversion Date for a conversion of the Bonds to a different Mode and so long as no Event of Default under the Bond Order has occurred and is continuing, the Remarketing Agent agrees to offer for sale and use its best efforts to remarket the Bonds or Beneficial Interests therein which are tendered or deemed tendered on the Mode Change Date, at a price at least equal to the principal amount thereof subject to the following conditions:

(a) *Satisfactory Compensation and other Terms:* satisfactory compensation and other terms and conditions shall have been agreed upon by the County and the Remarketing Agent;

(b) *Favorable Tax Opinion:* the Remarketing Agent shall have received an opinion of nationally recognized bond counsel to the effect that the interest on such Bonds will continue to be excluded from gross income for federal income tax purposes after the Conversion Date;

(c) *Satisfactory Disclosure Document:* the Remarketing Agent, as it deems necessary, shall have received an Official Statement or other appropriate disclosure document, in form and substance satisfactory to the Remarketing Agent, to be used in connection with its efforts to remarket the Bonds;

(d) *Continuing Disclosure Undertaking:* the County shall have delivered to the Remarketing Agent a continuing disclosure agreement, in a form satisfactory to the Remarketing Agent, which enables the Remarketing Agent to comply with the continuing disclosure requirements of SEC Rule 15c2-12, if and as then applicable; and

(e) *Other:* the Remarketing Agent shall have received such additional documents, certificates and legal opinions as it may reasonably request.

Further details regarding such remarketing shall be negotiated between the County and the Remarketing Agent prior to the Conversion Date.

7. Fees and Expenses of the Remarketing Agent.

(a) *General.* In consideration of the services to be performed by the Remarketing Agent under this Remarketing Agreement, the County agrees to pay to the Remarketing Agent, upon submittal of invoices with appropriate supporting documentation satisfactory to the County, such amounts as are required to reimburse it for or pay the reasonable expenses incurred, (including, without limitation, the reasonable fees and disbursements of counsel and any reasonable costs incurred in connection with the preparation or delivery of documents and in the delivery of Rule G-34 Documents to the MSRB), advances made (including, without limitation, the advancement of immediately available funds when remarketing proceeds received by the Remarketing Agent are next day funds), and compensation for services rendered pursuant to the Bond Order or this Remarketing Agreement as described below.

(b) *Fees in Daily Rate Period.* The County shall pay the Remarketing Agent, as compensation for its services hereunder, a fee equal to five basis points (0.05%) per annum of the weighted average principal amount of the Bonds outstanding during each three-month period preceding the following dates, or such other amount as may be agreed upon from time to time by the County and the Remarketing Agent, payable quarterly in arrears on an actual/360 day basis on each March 1, June 1, September 1 and December 1, commencing March 1, 2018.

(c) *Fees upon Conversion and Mandatory Tenders.* If pursuant to Section 6 hereof or in any other remarketing of the Bonds in connection with a mandatory tender thereof, the Remarketing Agent is requested by the County to use its best efforts to remarket the Bonds upon conversion of the interest rate thereon a different Mode or to a Commercial Paper Rate, Term Rate or a Fixed Rate or otherwise the Remarketing Agent shall be paid such remarketing fee as may then be mutually agreed upon by the County and the Remarketing Agent, and the County shall reimburse the Remarketing Agent for its costs of document preparation, its costs of funds, its reasonable counsel fees and other out-of-pocket expenses in connection with such services.

8. Furnishing of Remarketing Materials. If the Remarketing Agent determines that it is necessary or desirable to amend or supplement the Official Statement or prepare a new disclosure document in connection with its remarketing of Bonds, the Remarketing Agent will notify the County and the County will provide the Remarketing Agent with an amendment or supplement to the Official Statement or other disclosure document (the "Remarketing

Materials”) satisfactory to the Remarketing Agent and its counsel in respect of the Bonds. The County will supply the Remarketing Agent, at the County’s expense, with such number of copies of the Remarketing Materials as the Remarketing Agent requests from time to time and will amend the Official Statement and any other Remarketing Materials with respect to the County and any summary of documents the amendment of which was approved by the County (and/or the documents incorporated by reference in it) so that at all times the Official Statement and any other Remarketing Materials will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in light of the circumstances under which they were made, not misleading. In connection with the use of any of the Remarketing Materials by the Remarketing Agent in its remarketing of the Bonds, the County will furnish to the Remarketing Agent such certificates, accountants’ letters and opinions of counsel as the Remarketing Agent reasonably requests. In addition, the County, at its own expense (provided the Remarketing Agent has provided the County with an estimate of such cost and the County has given approval, upon 45 days written notice and receipt of an invoice therefor), shall take all steps reasonably requested by the Remarketing Agent that the Remarketing Agent or its counsel may consider necessary or desirable to register the sale of the Bonds by the Remarketing Agent under any federal or state securities law or qualify the Bond Order under the 1939 Act, subject to Section 2(f) of this Remarketing Agreement.

The County shall promptly notify the Remarketing Agent when it becomes aware of any material misstatement or omission in any of the Remarketing Materials furnished to the Remarketing Agent for use in connection with the remarketing of the Bonds.

9. Remarketing Agent Not Acting As Underwriter; Remarketing Agent is Not An Advisor.

(a) *Acknowledgement of Limited Responsibilities.* The County acknowledges and agrees to the terms of this paragraph (a). In carrying out its duties hereunder, the Remarketing Agent’s responsibility is limited to the use of its best efforts to solicit offers to purchase the Bonds or Beneficial Interests. The Remarketing Agent shall not act as underwriter for any tendered Bonds or Beneficial Interests and shall not be obligated to advance, but shall not be prohibited from advancing, its own funds to purchase any tendered Bonds or Beneficial Interests. The Remarketing Agent, in its individual capacity or for its own account, at its sole discretion and for any one or more reasons, may in good faith buy, sell, own, hold and deal in any of the Bonds, including, without limitation, any Bonds offered and sold by the Remarketing Agent pursuant to this Remarketing Agreement. Such activities may include sales to one or more affiliated investment vehicles for collective ownership or entering into derivative arrangements with affiliates or others. If the Remarketing Agent purchases Bonds for its own account, it may offer those Bonds at a discount to par to some investors. The Remarketing Agent may sell any such Bonds at prices above or below par at any time. In connection with a remarketing of the Bonds, the Remarketing Agent has no obligation to notify purchasers if it does not have third-party buyers for all of the tendered bonds at the remarketing price. As an owner of Bonds, the Remarketing Agent may sell Bonds at varying prices, including at a discount to par or at a premium, to different investors on a date on which the Remarketing Agent is to determine the rate on Bonds or any other date. The Remarketing Agent may join in any action which any owner (or Beneficial Owner) of the Bonds may be entitled to take with like effect as if it were not Remarketing Agent. The Remarketing Agent, in its individual capacity,

either as principal or agent, may also engage in or be interested in any financial or other transaction with the County, and may act as depository, trustee or agent for any committee or body of owners of the Bonds or other obligations of the County as freely as if it were not Remarketing Agent. The Remarketing Agent shall have the right to tender Bonds for purchase pursuant to the terms thereof and shall have other rights of an owner (or Beneficial Owner) of the Bonds at any time that it is the owner (or Beneficial Owner) of any Bonds. The Remarketing Agent shall have no obligation to purchase any tendered Bonds for its own account. The Remarketing Agent may make a secondary market in the Bonds by purchasing and selling Bonds other than in connection with an optional or mandatory tender and remarketing, but it has no obligation to do so and, in its discretion, can discontinue any such activities at any time. No notice is required regarding any such purchases or any discontinuation of such purchases.

(b) *Limitation on Reliance.* The County acknowledges and agrees, whether or not the Remarketing Agent or any affiliate thereof has advised or is currently advising the County on other matters, that in connection with the remarketing of the Bonds and any other duties or obligations of the Remarketing Agent pursuant to and/or as set forth in this Agreement: (a) the Remarketing Agent is not an advisor (including, without limitation, a Municipal Advisor (as such term is defined in Section 975(e) of the Dodd-Frank Wall Street Reform and Consumer Protection Act) or a financial advisor) of, and owes no fiduciary duty to, the County or any other person, (b) the Remarketing Agent's duties and obligations to the County shall be limited to those contractual duties and obligations expressly set forth in this Agreement, (c) the Remarketing Agent has financial and other interests that differ from those of the County, (d) the County has consulted with those independent legal, financial and any other advisors to the extent it deemed appropriate in connection with any questions or other issues it might have relating to the remarketing of the Bonds, and (e) the transactions contemplated by this Remarketing Agreement are arm's length, commercial transactions between the County and Remarketing Agent.

(c) *No Implied or Fiduciary Obligations.* Notwithstanding any provisions of this Remarketing Agreement or the Bond Order, it is the intention of the County and the Remarketing Agent that the use of the term "agent" with reference to the Remarketing Agent is not intended to connote any fiduciary or other implied (or express) obligations arising under agency doctrine of any applicable law. Instead, such term is used merely as a matter of market custom and is intended to create or reflect only an independent contractor relationship between contracting parties, and the Remarketing Agent shall exercise its own independent judgment in connection with its rights and duties as Remarketing Agent.

(d) *Municipal Advisor Rules.* The County acknowledges that J.P. Morgan may not be able to perform some of the services the County may request of J.P. Morgan from time to time in connection with J.P. Morgan's engagement as Remarketing Agent to the extent that such services would cause J.P. Morgan to be considered a "municipal advisor" under SEC Rel. No. 34-70462 (Sept. 20, 2013) (such final rules and to the extent referenced therein, Section 975, the "Municipal Advisor Rules") implementing Section 975 ("Section 975") of the Dodd-Frank Wall Street Reform and Consumer Protection Act.

10. Indemnification. Subject to applicable legal requirements and limitations of the State and the County, the legal availability of funds, the County will indemnify and hold

harmless the Remarketing Agent and each of its directors, officers and employees and each person who controls the Remarketing Agent within the meaning of Section 15 of the 1933 Act, against any and all losses, claims, damages or liabilities, joint or several, to which any such indemnified party may become subject under any statute or at law or in equity or otherwise, and will reimburse any such indemnified party for any legal or other expenses incurred by it in connection with investigating any claims against it and defending any actions, insofar as such losses, claims, damages, liabilities or actions arise out of or are based upon (i) an allegation or determination that the Bonds should have been registered under the 1933 Act or (ii) any untrue statement or alleged untrue statement of a material fact contained in any disclosure documents furnished pursuant to the provisions hereof or the omission or alleged omission to state therein a material fact necessary to make the statements therein not misleading, but the County will not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon any such untrue statement or alleged untrue statement or omission or alleged omission made in the document in reliance upon and in conformity with written information furnished to the County by the Remarketing Agent specifically for use in connection with the preparation of the documents. This indemnity agreement will not limit any other liability to any such indemnified party the County otherwise may have; provided that in no event will the County be obligated for double indemnification.

An indemnified party shall, promptly after receipt of notice of the commencement of any action against such indemnified party in respect of which indemnification may be sought against an indemnifying party, notify the indemnifying party in writing of the commencement of the action. Failure of the indemnified party to give such notice will not relieve the indemnifying party from any liability it may have to such indemnified party. If such an action is brought against an indemnified party and such indemnified party notifies the indemnifying party of its commencement, the indemnifying party may, or if so requested by such indemnified party will, participate in or assume its defense, with counsel reasonably satisfactory to the indemnified party and, after notice from the indemnifying party to such indemnified party of an election to assume the defense, the indemnifying party will not be liable to the indemnified party under this Section

11. Limitation on Liability of Remarketing Agent. The Remarketing Agent shall incur no liability to the County or any person for its actions as remarketing agent pursuant to the terms of this Remarketing Agreement and the Bond Order except for its willful misconduct or gross negligence. The Remarketing Agent may conclusively rely upon any notice or document given or furnished to the Remarketing Agent and conforming to the requirements of this Remarketing Agreement or the Bond Order and shall be protected in acting upon any such notice or document reasonably believed by it to be genuine and to have been given, signed or presented by the proper party or parties.

12. Term. This Agreement shall become effective on the date hereof and shall continue in full force and effect until the payment in full of the Bonds or the earlier conversion of all Bonds to the Term or Fixed Rate Mode, subject to the right of suspension and termination as provided herein.

The Remarketing Agent may at any time resign and be discharged of the duties and obligations hereunder by giving at least thirty (30) days' written notice as provided in Section 8.07 of the Bond Order. The Remarketing Agent may be removed at any time by the County by

a written notice filed as provided in Section 8.07 of the Bond Order at least thirty (30) days' prior to the effective date of such removal. Upon the effective date of any resignation or removal of the Remarketing Agent, the Remarketing Agent shall pay over, deliver and assign any moneys and Bonds held by it in such capacity, other than Bonds held for its own account, to its successor, and each party shall pay to the other any amounts owing at the time of termination.

13. Notices. Any notice or other communication to be given under this Remarketing Agreement shall be given in writing, delivered by confirmed facsimile, by hand or by first-class mail, and if by mail, by being deposited in the United States mail, addressed to the party to which such notice is to be given. Unless otherwise provided, the respective addresses for the County and the Remarketing Agent for notices which are or may be required to be given hereunder are as follows:

If to the County:

Montgomery County, Maryland
Executive Office Building
101 Monroe Street, 15th Floor
Rockville, Maryland 20850
Attention: Director of Finance
Telephone: (240) 777-8870
Telecopier: (240) 777-8857
E-Mail: alex.espinosa@montgomerycountymd.gov

If to the Remarketing Agent:

J.P. Morgan Securities LLC
383 Madison Avenue, 8th Floor
New York, New York 10179
Attention: Peter McCarthy
Telephone: (212) 834-7224
Telecopier: (917) 456-3541
E-Mail: peter.mccarthy@jpmorgan.com
Public_Finance_Short_Term_Trading@jpmorgan.com

14. Amendment, Modification and Waiver. The provisions of this Remarketing Agreement may not be amended, modified or waived unless such amendment, modification or waiver is in writing and signed by the party against which enforcement is sought.

15. Successors. Any person or entity into which the Remarketing Agent may be merged, or with which it may be consolidated, or to which it may sell, release or transfer its investment banking business and assets as a whole or substantially as a whole, shall be and become successor of the Remarketing Agent hereunder and shall be vested with all the powers, rights, obligations and duties hereunder as was its predecessor, without the execution or filing of any instrument by any person or entity.

16. Waiver of Trial by Jury. Each of the parties hereto also irrevocably waives all right to trial by jury in any action, proceeding or counterclaim arising out of this Remarketing Agreement or the transactions contemplated hereby.

17. Governing Law; Venue. This Remarketing Agreement shall be governed by and construed in accordance with the laws of the State of Maryland. In the event of a dispute between the County and the Remarketing Agent regarding this Remarketing Agreement, the venue for any such dispute shall be a state or federal court located in the State of Maryland.

18. Executed Bond Order; Registrar and Paying Agent Authorization.

(a) *Use of Bond Order.* The County hereby grants permission for the Remarketing Agent to distribute a copy of the executed Bond Order (and any supplements thereto) to prospective purchasers of the Bonds who request such information in connection with the remarketing of the Bonds by the Remarketing Agent under this Remarketing Agreement.

(b) *Copies of Transaction Documents.* The County hereby authorizes the Registrar and Paying Agent to provide to the Remarketing Agent, at the expense of the County, electronic copies of any execution form transaction document, upon written request (which may be by electronic means) by the Remarketing Agent.

19. Counterparts. This Remarketing Agreement may be executed in counterparts, each of which shall be deemed to be an original, and such counterparts shall constitute one and the same instrument.

20. Agreement to Provide Rule G-34 Documents; List of Redactions.

(a) In connection with its services under this Remarketing Agreement, the Remarketing Agent will be required to comply with Rule G-34(c). Rule G-34(c) and related MSRB guidance requires the Remarketing Agent to submit to the MSRB's Short-term Obligation Rate Transparency ("SHORT") System:

(1) certain information with respect to each interest rate determination for variable rate demand obligations; and

(2) current copies of any Rule G-34 Documents.

(b) In order to assist the Remarketing Agent to comply with its obligations under MSRB Rule G-34(c), the County shall provide to the Remarketing Agent, in each case described below, in the form of a word-searchable PDF file or in such other form as the Remarketing Agent shall notify the County in writing is required by the MSRB, the following documents at the following times:

(1) *Initial Documents.* On the effective date of this Remarketing Agreement, a copy of each executed and currently effective Rule G-34 Document and prior and effective amendment thereto contained on the list provided on Annex A hereto that specifically relates to the transaction;

(2) *Proposed Amendments.* No later than 10 Business Days prior to the proposed date of any amendment, including an extension or renewal of the expiration date, or replacement or termination of the then current Rule G-34 Document, written notice (which may be by electronic means) that the current Rule G-34 Document is proposed to be amended,

extended, renewed, replaced or terminated, as the case may be, and the expected date of execution and delivery of the amendment, extension, renewal, replacement or termination, as the case may be, of the relevant Rule G-34 Document;

(3) *Executed Amendments.* Within one Business Day after the execution and delivery of any amendment, including any renewal, extension, replacement or termination of the then current Rule G-34 Document, as the case may be, a copy of the executed amendment, renewal, extension, replacement or termination thereof;

(4) *Other Requested Documents.* No later than three Business Days after receiving a request from the Remarketing Agent for any other Rule G-34 Document either listed on Annex A and not previously provided to the Remarketing Agent or as otherwise required by the MSRB after the effective date of this Remarketing Agreement, such documents relating to the establishment of liquidity for the Bonds in a word searchable PDF file or in such other form as the Remarketing Agent shall notify the County in writing is required by the MSRB; and

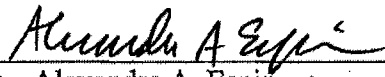
(5) *Delivery Formats.* In each instance that documents are delivered to the Remarketing Agent pursuant to this Section 20, the County shall provide (1) a clean final execution copy of each relevant Rule G-34 Document, and (2) in each case, if any, where the County or any other transaction party determines that any redactions need to be made to a Rule G-34 Document (which redactions must be in accordance with MSRB Rule G-34(c) and related guidance from the MSRB), (x) a redacted final execution copy of such Rule G-34 Document, and (y) a marked copy or list showing all redactions that have been made to such Rule G-34 Document.

(c) All Rule G-34 Documents filed by the Remarketing Agent pursuant to the requirements of Rule G-34(c) will be publicly available on the MSRB's SHORT System, in the form such Rule G-34 Documents and information is provided to the Remarketing Agent.

(d) In the event additional legal or regulatory requirements are imposed on the Remarketing Agent's performance of its obligations under this Remarketing Agreement, the County agrees to cooperate with the Remarketing Agent and shall provide such documents and take such other steps as may be reasonably requested by the Remarketing Agent in order to comply with such additional requirements.

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the date and year first written above.

MONTGOMERY COUNTY, MARYLAND

By: 
Name: Alexandre A. Espinosa
Title: Director of Finance

J.P. MORGAN SECURITIES LLC

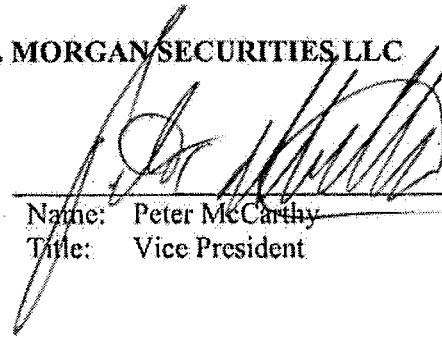
By: _____
Name: Peter McCarthy
Title: Vice President

IN WITNESS WHEREOF, the parties hereto have hereunto set their hands as of the date and year first written above.

MONTGOMERY COUNTY, MARYLAND

By: _____
Name: Alexandre A. Espinosa
Title: Director of Finance

J.P. MORGAN SECURITIES LLC

By:  _____
Name: Peter McCarthy
Title: Vice President

ANNEX A

1. Standby Bond Purchase Agreement among US Bank Trust, National Association, Montgomery County, Maryland and U.S. Bank National Association dated as of December 1, 2017 (the "SBPA")
2. Executive Order No. 175-17 and Department No. B361-17 of Montgomery County, Maryland dated December 19, 2017
3. Any and all extensions, renewals and amendments to the SBPA



MONTGOMERY COUNTY EXECUTIVE ORDER

Offices of the County Executive • 101 Monroe Street • Rockville, Maryland 20850

Subject Authorizing the issuance of Consolidated Public Improvement Variable Rate Bonds of 2017, Series E and prescribing certain other matters in connection therewith.	Executive Order No. 191-17	Subject Suffix
Department Department of Finance	Department No. B362-17	Effective Date 12/19/17

EXHIBIT C

FORM OF BOND PURCHASE AGREEMENT

\$170,000,000
MONTGOMERY COUNTY, MARYLAND
GENERAL OBLIGATION BONDS
CONSOLIDATED PUBLIC IMPROVEMENT VARIABLE RATE BONDS OF 2017,
SERIES E

December 19, 2017

BOND PURCHASE AGREEMENT

Ladies and Gentlemen:

The undersigned, J.P. Morgan Securities LLC, (the “Underwriter”) hereby offers to enter into this Bond Purchase Agreement with Montgomery County, Maryland (the “County”) for the purchase by the Underwriter and sale by the County of all of its \$170,000,000 General Obligation Bonds, Consolidated Public Improvement Variable Rate Bonds of 2017, Series E (the “Bonds”). This offer is made subject to acceptance by the County prior to 1:00 P.M., E.S.T., on the date hereof, and upon such acceptance, this Bond Purchase Agreement shall be in full force and effect in accordance with its terms and shall be binding upon both the County and the Underwriter. If this offer is not so accepted and approved by the County, it is subject to withdrawal by the Underwriter upon written notice delivered to the County’s offices specified in Section 9 below at any time prior to such acceptance and approval.

Capitalized terms not otherwise defined herein shall have the meaning given them in the Official Statement (hereinafter defined).

1. Purchase and Sale of the Bonds; Description. Upon the terms and conditions and upon the basis of the representations, warranties and agreements herein set forth, the Underwriter hereby agrees to purchase from the County, and the County hereby agrees to sell to the Underwriter, all (but not less than all) of the Bonds at an aggregate purchase price of \$170,000,000, which represents the par amount of the Bonds. The Underwriter will be paid a fee of \$71,978.61. The Bonds are to be dated the date of issuance, will mature on November 1, 2037 and shall bear interest at the initial rate or rates as set forth in Schedule I attached hereto. The Bonds will be subject to optional and mandatory sinking fund redemption and optional and mandatory tender and purchase prior to maturity and will have such other terms and provisions as are described in the Official Statement.

In connection with the remarketing on any tender date for the Bonds, the County will enter into a Remarketing Agreement (the “Remarketing Agreement”), dated as of the date hereof with J.P. Morgan Securities LLC, as remarketing agent for the Bonds (the “Remarketing Agent”).

The Bonds are general obligations to which the full faith and credit and unlimited taxing power of the County are pledged. The County, U.S. Bank National Association, as registrar and paying agent (the “Paying Agent”), and U.S. Bank National Association (the “Liquidity Provider”)

will enter into a Standby Bond Purchase Agreement, dated as of December 1, 2017 (the "Standby Bond Purchase Agreement"), pursuant to which the Liquidity Provider, subject to the terms and conditions specified therein, will provide funds for the payment of the purchase price plus accrued interest, if any, of the Bonds tendered for purchase and not successfully remarketed.

The Bonds have been authorized, consolidated, and issued pursuant to Section 19-208 of the Local Government Article of the Annotated Code of Maryland (2013 Replacement Volume and 2017 Supplement) (the "Act"); Chapter 43 of the Laws of Montgomery County of 2006, Chapter 12 of the Laws of Montgomery County of 2007, Chapter 36 of the Laws of Montgomery County of 2008, Chapter 22 of the Laws of Montgomery County of 2009, Chapter 54 of the Laws of Montgomery County of 2010, Chapter 24 of the Laws of Montgomery County of 2011, Chapter 19 of the Laws of Montgomery County of 2012, Chapter 26 of the Laws of Montgomery County of 2013, Chapter 31 of the Laws of Montgomery County of 2014 and Chapter 49 of the Laws of Montgomery County of 2015 (collectively, the "Enabling Laws"); an order of the County Executive of the County (the "Executive Order"); and the Bond Order executed and delivered by the County Executive of the County (the "Bond Order").

The proceeds of the Bonds will be used to refinance all or a portion of the County's outstanding Consolidated Public Improvement Commercial Paper Bond Anticipation Notes, 2009 Series and Consolidated Public Improvement Commercial Paper Bond Anticipation Notes, 2010 Series, which were issued to finance and refinance the acquisition, construction and equipping of certain Consolidated Public Improvement Projects, as described in Section 20-14 of the Montgomery County Code (the "County Code"), as amended.

The Underwriter agrees to accept and pay for the Bonds at Closing (hereinafter defined) in accordance with the provisions of this Bond Purchase Agreement. In the event the County does not accept this offer, or if it shall be unable to satisfy the conditions of the Underwriter contained in this Bond Purchase Agreement (unless waived by the Underwriter), or if such obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and the Underwriter shall have no further obligations or liability.

The County acknowledges and agrees that (i) the purchase and sale of the Bonds pursuant to this Bond Purchase Agreement is an arm's-length, commercial transaction between the County and the Underwriter in which the Underwriter is acting solely as a principal and is not acting as a municipal advisor (within the meaning of Section 15B of the Exchange Act), financial advisor or fiduciary to the County, (ii) the Underwriter has not assumed any advisory or fiduciary responsibility to the County with respect to this Bond Purchase Agreement, the offering of the Bonds and the discussions, undertakings and procedures leading thereto (irrespective of whether the Underwriter, or any affiliate of the Underwriter, has provided other services or is currently providing other services to the County on other matters), (iii) the only obligations the Underwriter has to the County with respect to the transactions contemplated hereby are set forth in this Bond Purchase Agreement, (iv) the Underwriter has financial and other interests that differ from those of the County and (v) the County has consulted with its own legal, accounting, tax, financial and other advisors, as applicable, to the extent it has deemed appropriate.

2. Public Offering. The Underwriter agrees to make a bona fide public offering of all of the Bonds.

3. Issue Price.

(a) The Underwriter agrees to assist the County in establishing the issue price of the Bonds and shall execute and deliver to the County at Closing an "issue price" or similar certificate, together with the supporting pricing wires or equivalent communications, substantially in the form attached hereto as Appendix A, with such modifications as may be appropriate or necessary, in the reasonable judgment of the Underwriter, the County and Bond Counsel, to accurately reflect, as applicable, the sales price or prices or the offering price or prices (the "initial offering price") to the public of the Bonds.

(b) Except as otherwise set forth in Appendix A attached hereto, the County will treat the first price at which 10% of the Bonds (the "10% test") are sold to the public as the issue price of the Bonds.

(c) The Underwriter has offered the Bonds to the public on or before the date of this Bond Purchase Agreement at the initial offering price, or at the corresponding yield or yields, set forth in Appendix A attached hereto, except as otherwise set forth therein. The Underwriter has sold a substantial amount of such maturity of the Bonds to the public at a price that is no higher than the initial offering price to the public.

(d) The Underwriter confirms that any selling group agreement and each retail distribution agreement relating to the initial sale of the Bonds to the public, together with the related pricing wires, contains or will contain language obligating the Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such retail distribution agreement, as applicable, to report the prices at which it sells to the public the unsold Bonds allotted to it until it is notified by the Underwriter that either the 10% test has been satisfied as to the Bonds or all the Bonds have been sold to the public.

(e) The Underwriter acknowledges that sales of any Bonds to any person that is a related party to an underwriter shall not constitute sales to the public for purposes of this Section 3. Further, for purposes of this Section 3:

(i) "public" means any person other than an underwriter or a related party to an underwriter,

(ii) a purchaser of the Bonds is a "related party" to an underwriter if the underwriter and the purchaser are subject, directly or indirectly, to (i) at least 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other),

(iii) "underwriter" (when used without an initial capital letter) means (A) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the public), and

(iv) "sale date" means the date of execution of this Bond Purchase Agreement by all parties.

4. Official Statement. The County has delivered or caused to be delivered to the Underwriter copies of the Official Statement relating to the Bonds (the "Official Statement") signed on its behalf by the County Executive of the County (the "County Executive") and the Director of the Department of Finance of the County (the "Director of Finance"). By the execution of this Bond Purchase Agreement, the County authorizes and ratifies the use of copies of the Official Statement and the Bond Order in connection with the public offering and sale of the Bonds. If any additional copies of the Official Statement are needed so that there are copies in sufficient quantity as determined by the Underwriter to comply with paragraph (b)(4) of the United States Securities and Exchange Commission Rule 15c2-12 (the "Rule") and with the rules of the Municipal Securities Rulemaking Board (the "MSRB"), the Underwriter will pay the costs of such additional copies. The Underwriter agrees to file a copy of the Official Statement with the MSRB's Electronic Municipal Market Access system at the earliest practicable date after the delivery of the Bonds.

5. Certain Representations and Covenants of the County and the Underwriter.

(a) Representations and Covenants of the County. The County represents and covenants to and with the Underwriter, both at the time of its acceptance hereof and on the date of Closing, that:

(i) The County is a validly created and existing body politic and corporate and political subdivision of the State of Maryland (the "State"), possessing authority under the Act, the Enabling Laws, the Charter of the County, the County Code, and the Bond Order to issue the Bonds.

(ii) The County has complied with all provisions of the Constitution and laws of the State relating to the transactions contemplated hereby (including, without limiting the generality of the foregoing, the Charter of the County) and has full power and authority to issue the Bonds, to apply the proceeds from the sale thereof as described in the Official Statement and to carry out and consummate all transactions contemplated by this Bond Purchase Agreement and the Official Statement.

(iii) The Official Statement as of its date did not, and as of the date hereof does not, contain any untrue statement of a material fact or omit to state a material fact required to be stated therein, or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; there has not been any

material adverse change in finances or operations of the County as a whole since the date of the Official Statement which has not been brought to the attention of the Underwriter in writing prior to the date hereof; *provided*, however, that such representation shall not apply to the statements and information concerning The Depository Trust Company ("DTC"), the book-entry only system and the Underwriter, respectively, contained in the Official Statement.

(iv) The County has taken all necessary action to authorize (A) the issuance, sale and delivery of the Bonds upon the terms set forth herein and in the Official Statement; (B) the adoption, execution, delivery and receipt, as the case may be, of the following documents: (1) this Bond Purchase Agreement; (2) the Bonds; (3) the Bond Order; (4) the Official Statement; (5) the Remarketing Agreement; (6) the Standby Bond Purchase Agreement and (7) any other agreement or instrument to which it is a party, used or contemplated hereby and by the Official Statement (collectively, the "Legal Documents"); and (C) the taking of any and all such action as may be required by the County to carry out, give effect to and consummate the transactions to which the County is a party contemplated hereby and by the Official Statement.

(v) As of the time of acceptance hereof and as of the date of the Closing, except as disclosed in the Official Statement, the County is not and will not be in breach of or in default under any applicable law or administrative regulation of the State or the United States of America (the "United States") or any other governmental authority relating to any applicable judgment, decision or decree or any loan agreement, note, resolution, ordinance, agreement or other instrument to which the County is a party or is otherwise subject, the consequence of which materially and adversely affects the financial condition of the County as a whole or the financial operations of the County as of such dates; and, as of such times and except as disclosed in the Official Statement, the execution and delivery of this Bond Purchase Agreement, and the Bonds, and compliance with the provisions of each thereof does not and will not conflict with or constitute a breach of or default under any applicable law or administrative regulation of the State or the United States or any other governmental authority or any applicable judgment, decision or decree or any loan agreement, note, resolution, ordinance, agreement or other instrument to which the County is a party or is otherwise subject.

(vi) As of the time of acceptance hereof and as of the date of the Closing, except for litigation which in the opinion of the Office of the County Attorney of the County is without merit, and except as disclosed in the Official Statement, no litigation or other legal proceeding is or will be pending or, to the knowledge of the County, threatened that (A) in any way challenges the right of any official of the County signatory hereto or referred to herein to hold his respective office, or the respective powers of such office, (B) seeks to restrain or enjoin the issuance or delivery of the Bonds, or in any way contesting or affecting the validity of the Enabling Laws, the Bonds, or this Bond Purchase Agreement or contesting the powers of the County or any authority for the issuance of the Bonds, (C) a final decision (after all applicable appeals) can reasonably be anticipated in a magnitude or scope which would materially and adversely affect the financial condition of the County as a whole, or (D) contests in any way the accuracy, adequacy or completeness of the Official Statement.

(vii) The County will furnish such information, execute such instruments and take such other action not inconsistent with law or established policy of the County hereof as the Underwriter may request in order to qualify the Bonds for offer and sale under the Blue Sky or other securities laws and regulations of such states and other jurisdictions of the United States as the Underwriter may designate; *provided*, that the County shall not be required to submit to service of process in any jurisdiction in which it is not currently subject and provided further that the County shall not be required to pay any fees for filing in any jurisdiction or incur any cost for consultants or attorneys in connection therewith. Upon request, the Underwriter will provide the County with such filings, if any.

(viii) If on or prior to the 25th day after the "end of the underwriting period," as such expression is used in Rule 15c2-12, an event occurs affecting the County or the Liquidity Provider as a result of which it may be necessary or appropriate to amend or supplement the Official Statement in order to make the Official Statement not misleading in light of the circumstances existing at the time it is delivered to a purchaser or "potential customer" (as defined for purposes of Rule 15c2-12), the County will notify the Underwriter thereof and, if in the opinion of the County or the Underwriter such event requires a supplement or amendment to the Official Statement, the County will, at its expense, forthwith prepare and furnish to the Underwriter a reasonable number of copies of an amendment of or supplement to the Official Statement (in form and substance satisfactory to counsel for the Underwriter) that will amend or supplement the Official Statement so that it will not contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements therein, in the light of the circumstances existing at the time the Official Statement is delivered to a purchaser or "potential customer," not misleading.

(ix) If the Official Statement is supplemented or amended, at the time of each supplement or amendment thereto and (unless subsequently again supplemented or amended) at all times subsequent thereto up to and including the time of the Closing, the Official Statement as so supplemented or amended will be true and correct in all material respects and will not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading.

(x) The County has not been notified of any listing or proposed listing of the County by the Internal Revenue Service as an issuer whose arbitrage certifications may not be relied upon.

(xi) Except as disclosed in the Official Statement, during the previous five years, the County has not failed to comply, in all material respects, with its previous continuing disclosure undertakings pursuant to the Rule.

(xii) All approvals, consents and orders of any governmental authority, board, agency, council, commission or other body having jurisdiction which would constitute a condition precedent to the performance by the County of its obligations hereunder have been obtained; *provided*, that the County makes no representations as to

any approvals, consents or other actions which may be necessary to qualify the Bonds for offer and sale under Blue Sky or other state securities laws or regulations.

(xiii) Any certificates executed by any officer of the County and delivered to the Underwriter pursuant hereto or in connection herewith shall be deemed a representation and warranty of the County as to the accuracy of the statements therein made.

(xiv) The financial statements of the County as of June 30, 2016, fairly represent the receipts, expenditures, assets, liabilities and cash balances of such amounts and, insofar as presented, other funds of the County as of the dates and for the periods therein set forth. Except as disclosed in the Official Statement or otherwise disclosed in writing to the Underwriter, there has not been any materially adverse change in the financial condition of the County or in its operations since June 30, 2016 and there has been no occurrence, circumstance or combination thereof which is reasonably expected to result in any such materially adverse change.

All representations, warranties and agreements of the County shall remain operative and in full force and effect, regardless of any investigations made by the Underwriter and shall survive the delivery of the Bonds.

(b) Representations and Covenants of the Underwriter. The Underwriter represents and covenants to and with the County, that:

(i) The Underwriter has authority under all applicable law or administrative regulations of the State or the United States or any other governmental authority to purchase the Bonds and market the Bonds to the public.

(ii) The Underwriter has the funds to pay the purchase price of the Bonds on the date hereof, and the Underwriter has taken necessary or appropriate steps to pay the purchase price of the Bonds as described in Section 1 hereof to the County in immediately available funds on the date hereof.

(iii) This Bond Purchase Agreement has been duly authorized, executed and delivered by the Underwriter and, assuming the due authorization, execution and delivery by the County, is the legal, valid and binding obligation of the Underwriter enforceable in accordance with its terms, except as the enforceability of this Bond Purchase Agreement may be limited by application of creditors' rights laws.

6. Closing.

(a) At 11:00 A.M., E.S.T., December 19, 2017, or at such other time or on such earlier or later business day as the parties mutually agree upon, closing shall occur (herein called the "Closing"), and the County will deliver or cause to be delivered to DTC, in New York, New York, the Bonds in definitive or book-entry form, in the denomination equal to the principal amount of the Bonds, bearing a CUSIP number, duly authenticated and registered in the name of Cede & Co., as registered owner and nominee for DTC, which will act as Securities Depository for the Bonds.

(b) At the time of Closing, there will be delivered to the Underwriter at the offices of McKennon Shelton & Henn LLP, Baltimore, Maryland, or at such other place as the parties may mutually agree upon, the closing documents hereinafter mentioned, and the Underwriter will confirm delivery of the Bonds to DTC and pay the purchase price thereof (less any interest earnings thereon) in immediately available funds for deposit to the order of the County. The Bonds shall be made available to the Underwriter at least one business day before the Closing for purposes of inspection.

7. Conditions to Obligation of the Underwriter. The Underwriter has entered into this Bond Purchase Agreement in reliance upon the representations, warranties and covenants of the County contained herein and the performance by the County of its obligations hereunder and upon the accuracy of the statements to be contained in the documents, opinions, and instruments to be delivered at the Closing, as set forth below. Accordingly, the Underwriter's obligation under this Bond Purchase Agreement to purchase, accept delivery of, and pay for the Bonds is subject to the performance by the County of its obligations hereunder at or prior to the Closing and to the following additional conditions precedent:

(a) At the time of Closing, the Underwriter shall receive a certificate from an authorized official of the County to the effect that the Official Statement is deemed by the County to be final as of its date, except for the omission of no more than the information permitted to be omitted therefrom by paragraph (b)(1) of the Rule.

(b) At the time of Closing, (i) the representations and warranties of the County contained herein shall be true, complete and correct on the date of acceptance hereof and on and as of the Closing; (ii) the Official Statement shall have been approved by the County, shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter; (iii) the proceeds of the sale of the Bonds shall be paid and used as described in the Official Statement; and (iv) the County shall have executed and delivered any other documents which shall be necessary or appropriate in connection with the transactions contemplated hereby and which shall be in full force and effect and shall not have been amended, modified or supplemented except as may have been agreed to in writing by the Underwriter. As of the Closing, there shall not have occurred any change in or particularly affecting the County or Legal Documents or the payment of the Bonds as the foregoing matters are described in the Official Statement, which in the reasonable professional judgment of the Underwriter materially impairs the investment quality of the Bonds.

(c) The Underwriter shall have the right to cancel its obligation to purchase the Bonds upon written notice to the County if on the Closing, (i) an amendment to the United States or the State Constitution shall have been passed or legislation shall have been enacted or introduced or pending by the Congress of the United States or recommended for passage by the President of the United States or the legislature of the State or otherwise shall have been reported favorably out of a committee of either chamber of the Congress or the legislature, or a decision shall have been rendered by a court established under Article III of the Constitution of the United States or the State or the Tax Court of the United States, or a ruling, order, or regulation, or a temporary regulation shall have been proposed or made or any other release or announcement shall have been made by the Treasury Department of the United States or the Internal Revenue Service or any other federal or State authority, interest on obligations of the general character of the Bonds, that,

in the Underwriter's reasonable judgment, materially adversely affects the market for the Bonds, or (ii) there shall occur or exist any material event or fact that, in the Underwriter's reasonable judgment, either (A) makes untrue or incorrect in any materially adverse respect as of the time of the Closing any statement or information in the Official Statement or (B) is not reflected in the Official Statement but should be reflected therein in order to make the statements and information therein not misleading in any material respect as of such time, or (iii) there shall have occurred any outbreak of hostilities, escalation of existing hostilities, or national or international calamity, crisis or terrorism that materially effects the securities markets and the marketing of securities in general, or (iv) there shall be in force a general suspension of trading on any national securities exchange, or minimum or maximum prices for trading shall have been fixed and be in force, or maximum ranges for prices for securities shall have been required and be in force on the New York Stock Exchange, whether by virtue of a determination by the New York Stock Exchange or by order of the Securities and Exchange Commission of the United States or any other governmental authority having jurisdiction that, in the Underwriter's reasonable judgment and after reasonable effort, makes it impracticable for the Underwriter to market the Bonds or enforce contracts for the sale of the Bonds, or (v) a general banking moratorium shall have been declared by federal, New York or State authorities having competent jurisdiction and be in force that, in the Underwriter's reasonable judgment, makes it impracticable for the Underwriter to market the Bonds or enforce contracts for the sale of the Bonds, or (vi) legislation shall be enacted or a decision by a court of the United States shall be rendered, or a ruling, regulation, proposed regulation or statement by or on behalf of the Securities and Exchange Commission of the United States or other governmental agency having jurisdiction of the subject matter shall be made, to the effect that the Bonds or any obligations of the general character of the Bonds, are not exempt from the registration, qualification or other requirements of the Securities Act of 1933, as amended and as then in effect, or of the Trust Indenture Act of 1939, as amended and as then in effect, or otherwise are or would be in violation of any provision of the federal securities laws, or (vii) there shall have occurred any material downgrade or withdrawal of a rating of the Bonds by a nationally recognized rating service, which material downgrading or withdrawal, in the Underwriter's reasonable judgment, materially adversely affects the marketability of the Bonds (such right to be exercised by the Underwriter in good faith), or (viii) there shall have been any material adverse change in the financial affairs of the County which requires amendment of the Official Statement and that in the Underwriter's reasonable judgment will materially adversely affect the market for the Bonds, or (ix) there shall fail to be delivered to the Underwriter in substantially the form required hereby any of the certifications or other documents or instruments required by this Bond Purchase Agreement for Closing, or (x) the occurrence of a major financial crisis, a material disruption in commercial banking or securities settlement, payment or clearance services, or a material disruption or deterioration in the fixed income or municipal securities market, or (xi) the institution of litigation or any development in any existing litigation against the County which adversely threatens the validity of the Bonds except as described in the Official Statement or (xii) additional material restrictions not in force or being enforced as of the date hereof shall have been imposed upon trading in securities generally by any governmental authority or by any national securities exchange.

(d) At or prior to the Closing, the Underwriter shall receive copies of the following:

(i) The approving legal opinion of McKennon Shelton & Henn LLP, Bond Counsel to the County ("Bond Counsel"), with respect to the Bonds, dated the date of Closing, substantially in the form set forth in the Official Statement and appended thereto as Appendix D.

(ii) An opinion of Bond Counsel dated the date of the Closing and addressed to the Underwriter substantially in the form set forth in Appendix B to this Bond Purchase Agreement.

(iii) A supplemental legal opinion of Bond Counsel dated the date of Closing and addressed to the Underwriter substantially in the form set forth in Appendix C to this Bond Purchase Agreement.

(iv) A letter from Bond Counsel dated the date of the Closing and addressed to the Underwriter, to the effect that the approving opinion of Bond Counsel referred to in clause (i) above may be relied upon by the Underwriter, to the same extent as if such opinions had been addressed to the Underwriter.

(v) The Official Statement executed as set forth in Section 4 hereof.

(vi) A certificate, dated the date of the Closing, signed by the Director of Finance to the effect that, to the best of his knowledge, (i) the representations and warranties of the County contained herein are true and correct in all material respects on and as of the date of the Closing as if made on the date of the Closing, and (ii) no event having a material adverse effect on the County or the financial condition of the County has occurred since the date of the Official Statement which has not been disclosed therein or by supplement or amendment thereto and which should be disclosed in the Official Statement in order to make the statements and information therein not misleading in any material respect.

(vii) A certificate, dated the date of the Closing, of an authorized representative of the County to the effect that (A) the factual information in the Official Statement under the captions "INTRODUCTORY STATEMENT," "THE COUNTY," "USE OF PROCEEDS," "THE BONDS," "SECURITY AND SOURCES OF PAYMENT FOR THE BONDS," "CONTINUING DISCLOSURE," "LEGALITY OF THE BONDS" "INDEPENDENT PUBLIC ACCOUNTANTS," "LITIGATION," "INFORMATION IN OFFICIAL STATEMENT," "AUTHORIZATION OF OFFICIAL STATEMENT" and the material contained in "Appendix C – Form of Continuing Disclosure Agreement" has been reviewed by such representative and such information does not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances under which they were made, not misleading; and (B) there has been no material adverse change in the financial condition of the County and no other event affecting the County has occurred since the date of the Official Statement which has not been disclosed therein or by supplement or amendment thereto and which should be disclosed in the Official Statement in order to make the statements and information therein not misleading in any material respect.

(viii) An opinion of Ballard Spahr LLP, counsel to the Underwriter, addressed to the Underwriter, dated the date of the Closing.

(ix) A Tax and Section 148 Certificate, dated the date of Closing, signed by the Director of Finance, in form and substance acceptable to the Underwriter.

(x) A Continuing Disclosure Agreement which complies with the provisions of paragraph (b)(5) of the Rule, dated the date of Closing, duly authorized, executed and delivered by the Director of Finance on behalf of the County substantially in the form appended as Appendix C to the Official Statement.

(xi) The usual closing certificates as mutually agreed between the Underwriter and the County, receipts or certificates with respect to signatures, approvals of forms, and receipt of the Bonds and the purchase price.

(xii) Evidence satisfactory to the Underwriter that Fitch Ratings, Moody's Investors Service, Inc. and Standard & Poor's Global Ratings have given the Bonds ratings of "AAA/F1+", "Aaa/VMIG 1" and "AAA/A-1+", respectively, and neither rating has been lowered or withdrawn prior to the date of closing.

(e) The County will furnish the Underwriter with conformed copies of such opinions, certificates, letters and documents as are appropriate and as the Underwriter reasonably request. If the County shall be unable to satisfy the conditions to the obligations of the Underwriter contained in this Bond Purchase Agreement, or if the obligations of the Underwriter shall be terminated for any reason permitted by this Bond Purchase Agreement, this Bond Purchase Agreement shall terminate and neither the Underwriter nor the County shall have any further obligations hereunder, except as provided in Section 8 hereof; however, the Underwriter may in its discretion waive one or more of the conditions imposed by this Bond Purchase Agreement for the protection of the Underwriter and proceed with the Closing.

8. Costs and Expenses.

(a) Upon Closing, the County shall pay or cause to be paid the expenses incident to its performance hereunder, including but not limited to: (i) the reasonable fees and disbursements (as negotiated) of Bond Counsel, including the costs of printing the Bonds; (ii) the reasonable fees and costs, including the cost of delivering the Bonds as required by this Bond Purchase Agreement; (iii) the fees of the rating of the Bonds by Moody's Investors Service, Inc., Standard & Poor's Global Ratings and Fitch Ratings; (iv) the cost of printing and reproduction of the Official Statement (in such reasonable quantities as the Underwriter shall request and subject to the provisions of Section 4 hereof), *provided* that costs of printing the Official Statement payable from the sale of the Bonds shall be limited to the number of copies of the Official Statement that the Underwriter shall reasonably require; (v) all reasonable expenses in connection with the preparation, printing, execution and, delivery, and any recording or filing required by Bond Counsel, of this Bond Purchase Agreement and any financing statement or notice with respect thereto; (vi) the reasonable fees and expenses of any attorneys, auditors, consultants, advisors, engineers or others retained by the County in connection with the transactions contemplated herein; (vii) the reasonable fees and expenses of counsel to the Underwriter; and (viii) all other

reasonable expenses which are incident to the performance of the County's obligations hereunder and the fulfillment of the conditions of Closing set forth herein, *provided* that any such expenses within the control of the Underwriter shall be reasonable in amount and the County shall have been given prior notice thereof.

(b) From its compensation as set forth herein, the Underwriter shall pay out-of-pocket expenses of the Underwriter, advertising expenses, Dalnet wire charges, the cost of any Federal Funds, MSRB, SIFMA and CUSIP charges, fees of DTC and Dalcomp (internal system for running books) and Day Loan charges. The Underwriter shall pay any other costs of qualifying the Bonds for sale in various states chosen by the Underwriter, advertising expenses in connection with the public offering of the Bonds and all other expenses incurred by the Underwriter in connection with its public offering and distribution of the Bonds, excluding the fees and disbursements of its counsel.

(c) If for any reason Closing does not occur, the County shall not be obligated to pay or cause to be paid any fees or expenses of the Underwriter, including, without limitation, out-of-pocket expenses (except the costs of printing and distributing the Official Statement in the quantities set forth herein).

9. Notices. Any notice or other communication to be given to the County under this Bond Purchase Agreement may be given by delivering the same in writing by hand delivery or by registered or certified United States mail to: Director of Finance Montgomery County Government, Department of Finance, 101 Monroe St. 15th Floor, Rockville MD 20850. Any such notice or communication to be given to the Underwriter may be given by delivering the same in writing by hand delivery or by registered or certified United States mail to: J.P. Morgan Securities, LLC 383 Madison Avenue, 8th floor New York, NY 10179, to the attention of Brent Chandaria.

10. Governing Law. THIS BOND PURCHASE AGREEMENT SHALL BE DEEMED TO BE A CONTRACT UNDER, AND FOR ALL PURPOSES SHALL BE GOVERNED BY, AND CONSTRUED AND INTERPRETED IN ACCORDANCE WITH, THE LAWS OF THE STATE OF MARYLAND.

11. Survival of Certain Representations and Obligations. This Bond Purchase Agreement, when accepted by the County in writing as heretofore specified, is made solely for the benefit of the signatories hereto (including the successors or assigns of the Underwriter) and no other person shall acquire or have any right hereunder or by virtue hereof. The term "successor" shall not include any owner of Bonds merely by virtue of such ownership. All representations, warranties and agreements in this Bond Purchase Agreement shall remain operative and in full force and effect, regardless of delivery of and payment for the Bonds, and shall survive the Closing.

12. Counterparts. This Bond Purchase Agreement may be executed in any number of counterparts and by different parties hereto in separate counterparts, each of which when executed and delivered shall be deemed to be an original and all of which counterparts of this Bond Purchase Agreement taken together shall constitute one and the same instrument.

[SIGNATURES APPEAR ON THE FOLLOWING PAGES]

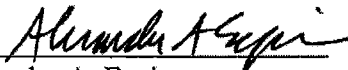
Very truly yours,

J.P. MORGAN SECURITIES, LLC

By: Brent Chandaria
Brent Chandaria
Vice President

The foregoing terms of this Bond Purchase Agreement are hereby approved.

MONTGOMERY COUNTY, MARYLAND

By: 
Alexandre A. Espinosa
Director of Finance

**MATURITIES, PRINCIPAL AMOUNTS, INTEREST RATES AND PRICES OR
YIELDS**

\$170,000,000
MONTGOMERY COUNTY, MARYLAND
GENERAL OBLIGATION BONDS
CONSOLIDATED PUBLIC IMPROVEMENT VARIABLE RATE BONDS OF 2017,
SERIES E

<u>Amount</u>	<u>Due November 1</u>	<u>Initial Interest Rate</u>	<u>Price</u>	<u>CUSIP</u>
\$170,000,000	2037	Variable Rate to be determined in accordance with the Bond Order	100%	6133408D3

ISSUE PRICE CERTIFICATE OF THE UNDERWRITER

This Certificate is furnished by J.P. Morgan Securities LLC ("JP Morgan") in connection with the sale and issuance by Montgomery County, Maryland (the "County") of its Consolidated Public Improvement Variable Rate Bonds of 2017, Series E (the "Bonds") issued December 19, 2017, and JP Morgan hereby certifies and represents the following, based upon information available to us:

1. ***Sale of the Bonds.*** As of the Sale Date, for each Maturity of the Bonds, the first price at which at least 10% of such Maturity of the Bonds was sold to the Public is the respective price listed in Schedule A.

2. ***Defined Terms.***

(a) ***Maturity*** means Bonds with the same credit and payment terms. Bonds with different maturity dates are treated as separate maturities.

(b) ***Public*** means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a related party to an Underwriter. The term "related party" for purposes of this certificate means any two or more persons who have greater than 50 percent common ownership, directly or indirectly.

(c) ***Sale Date*** means the first day on which there is a binding contract in writing for the sale of a Maturity of the Bonds. The Sale Date of the Bonds is December 19, 2017.

(d) ***Underwriter*** means, (i) any person that agrees pursuant to a written contract with the County (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, and (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (i) of this paragraph to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public) (each an "Underwriting Group Member").

(e) In addition to the terms defined herein, terms used in this Certificate and not otherwise defined herein shall have the meanings provided for such terms in the Bond Purchase Agreement unless a different meaning clearly appears from the context.

The representations set forth in this certificate are limited to factual matters only. Nothing in this certificate represents the JP Morgan's interpretation of any laws, including specifically Sections 103 and 148 of the Internal Revenue Code of 1986, as amended, and the Treasury Regulations thereunder. The undersigned understands that the foregoing information will be relied upon by the County with respect to certain of the representations set forth in the Tax and Section 148 Certificate of the County and with respect to compliance with the federal income tax rules affecting the Bonds, and by McKennon Shelton & Henn LLP in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of Internal Revenue Service Form 8038-G and other federal income tax advice it may give to the County from time to time relating to the Bonds.

J.P. MORGAN SECURITIES LLC, the
Underwriter

By: _____
Name:
Title:

Dated: December 19, 2017

SCHEDULE A
SALE PRICES OF THE BONDS

Maturity
November 1, 2037

Price
100.00

APPENDIX B

PROPOSED FORM OF OPINION OF BOND COUNSEL
REQUIRED BY SECTION 7(d)(ii) OF THIS BOND PURCHASE AGREEMENT

_____, 2017

County Executive and County Council
of Montgomery County, Maryland
Rockville, Maryland

J.P. Morgan Securities LLC
as Underwriter named in the
Bond Purchase Agreement identified below

RE: Montgomery County, Maryland General Obligation Bonds Consolidated Public
Improvement Variable Rate Bonds of 2017, Series E

Ladies and Gentlemen:

We have acted as Bond Counsel in connection with the issuance by Montgomery County, Maryland (the "**County**") of its \$170,000,000 General Obligation Bonds Consolidated Public Improvement Variable Rate Bonds of 2017, Series E (the "**Bonds**"). The Bonds are being purchased by the Underwriter pursuant to a Bond Purchase Agreement dated December 19, 2017 with the County (the "**Bond Purchase Agreement**"). All terms used herein and not otherwise defined shall have the same meaning as assigned in the Bond Purchase Agreement.

In our capacity as Bond Counsel to the County, we have rendered legal advice and assistance in connection with the preparation of the Official Statement dated December 11, 2017 relating to the Bonds (the "**Official Statement**"). Rendering such assistance involved, among other things, discussions and inquiries concerning various legal and related subjects, reviews of responses to such inquiries, and reviews of certain public records, documents and proceedings of the County. We have also corresponded with, held telephone conversations with and participated in discussions, conversations and conferences with certain officers, employees and representatives of the County, the Underwriter and its counsel. In the course of such correspondence, conversations and conferences, the contents of portions of the Official Statement and related matters were discussed.

Based on our participation in this transaction as Bond Counsel, and without having undertaken to determine independently the accuracy, completeness or fairness of the statements contained in the Official Statement, no facts have come to the attention of the lawyers in our firm working on this transaction that cause us to believe that the information in the Official Statement under the headings "THE COUNTY – Current Developments"; "USE OF PROCEEDS"; "THE BONDS" (excluding information under the subheading

“Remarketing Agent”); SECURITY AND SOURCES OF PAYMENT FOR THE BONDS” (excluding information under the subheading “Standby Bond Purchase Agreement”); “TAX MATTERS”; “LEGALITY OF THE BONDS”; and “INFORMATION IN OFFICIAL STATEMENT”; in each case, excluding any financial and statistical data and forecasts, numbers, estimates, assumptions and expressions of opinion, including information concerning The Depository Trust Company and the book-entry system for the Bonds, contained or incorporated by reference in the Official Statement and its Appendices, which are expressly excluded from the scope of this sentence; contains as of the date hereof any untrue statement of a material fact or omits to state any material fact necessary to make the statements made therein, in the light of the circumstances under which they were made, not misleading.

The statements and information contained in the Official Statement concerning legal matters contained in the following sections, fairly summarize the legal matters referred to therein: “THE BONDS” (excluding the material under the caption “Book-Entry Only System” and the subheading “Standby Purchase Agreement”), Appendix A entitled “Proposed Form of Bond Order” and Appendix D entitled “Proposed Form of Opinion of Bond Counsel.” The statements and information under the caption “TAX MATTERS” are true and correct in all material respects.

This letter is furnished by us to meet the requirement of paragraph 7(d)(ii) of the Bond Purchase Agreement and is not to be used, circulated, quoted or otherwise referred to in connection with the offering of the Bonds or for any other purpose whatsoever. This letter may be relied upon solely by the addressees.

Very truly yours,

APPENDIX C

**PROPOSED FORM OF SUPPLEMENTAL OPINION OF BOND COUNSEL
REQUIRED BY SECTION 7(d)(iii) OF THIS PURCHASE AGREEMENT**

_____, 2017

County Executive and County Council
of Montgomery County, Maryland
Rockville, Maryland

J.P. Morgan Securities LLC
as Underwriter named in the
Bond Purchase Agreement identified below

RE: Montgomery County, Maryland General Obligation Bonds Consolidated Public
 Improvement Variable Rate Bonds of 2017, Series E

Ladies and Gentlemen:

This supplemental opinion is rendered at your request in connection with the issuance by the Montgomery County, Maryland (the "**County**") of its \$170,000,000 General Obligation Bonds Consolidated Public Improvement Variable Rate Bonds of 2017, Series E (the "**Bonds**") (the "**Bonds**"), dated the date of delivery thereof, which are being purchased by the Underwriter pursuant to a Purchase Agreement relating to the Bonds dated December 19, 2017 with the County (the "**Bond Purchase Agreement**"). In connection with the issuance of the Bonds, we have delivered to the Underwriter a copy of our approving legal opinion as Bond Counsel (the "**Approving Opinion**") and pursuant to the reliance letter of even date herewith from us to the Underwriter, the Underwriter may rely upon such Approving Opinion as if such opinion were addressed to them. In rendering this opinion, we have examined and relied upon the matters contained, referred to and identified, and to the same extent stated, in the Approving Opinion. We also have examined the Official Statement, dated December 11, 2017, relating to the Bonds. All terms used in this supplemental opinion and not defined herein shall have the same meaning as assigned in the Bond Purchase Agreement. We have assumed but have not independently verified that the signatures on all documents and certificates that we examined were genuine.

Based on such examination, we are of the opinion that, under existing law:

1. Each of the Bond Purchase Agreement, the Remarketing Agreement and the Standby Bond Purchase Agreement has been duly authorized, executed and delivered by the County and, assuming the due authorization, execution and delivery thereof by other parties thereto, constitutes a valid and legally binding obligation of the County, enforceable against the County in accordance with its terms, except as the enforceability thereof may be limited by bankruptcy, insolvency, reorganization, moratorium and other laws affecting the rights of creditors generally.

2. The Bonds are not subject to the registration requirements of the Securities Act of 1933, as amended.

This opinion is issued as of the date hereof, and we assume no obligation to update, revise or supplement this opinion letter to reflect any facts or circumstances that may hereafter come to our attention, or any changes in law, or in interpretations thereof, that may hereafter occur, or for any other reason whatsoever.

Very truly yours,